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# Land Market Liberalization and Trans-National Commercial Land Deals in Ghana since the 1990s

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LAND MARKET LIBERALIZATION AND TRANS-NATIONAL COMMERCIAL  
LAND DEALS IN GHANA SINCE THE 1990S.

Dzodzi Tsikata and Joseph Yaro<sup>1</sup>

### **1. Introduction**

Large Scale commercial land transactions involving land in developing countries and transnational corporations and governments of the global north are justifiably generating a lot of interest in the land tenure research and policy communities. Particularly in the context of the on-going global food crisis, there is concern that these transactions could further deepen food insecurity in developing countries. While it is the more recent transactions that are triggering concerns, it is important to note that large scale land acquisitions and the dispossession of local populations is not new and has historical antecedents in the colonial period. The land tenure literature of sub-Saharan Africa for example has a tradition of distinguishing settler colonialist Africa from Africa of small-holder agriculture (Amanor-Wilks, 2009). At the heart of distinction is the extent of land concentration in the former, when compared with the latter.

Economic liberalisation since the 1980s created the conditions for a second wave of large scale land acquisitions in a range of economic sectors such as mining, tourism, logging and real estate. These acquisitions were preceded or reinforced by the liberalisation of investment codes and land tenure reforms. Various studies which focus on the liberalisation of various sectors have drawn attention to the impacts of foreign direct investments on the livelihoods of local communities, drawing attention to implications for land tenure systems (Mbilinyi, 1988; Akabzaa, 2000; Chachage and Mallya, 2006).

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Of added significance is that there is not one model being used in recent acquisitions. Therefore, while descriptors such as land grabs and large scale commercial land transactions draw attention to the size of acquisitions and the speculative elements of certain acquisitions, it is important to draw attention to the differences in transactions and their implications. Furthermore, the pre-existing land tenure situation is a critical factor in how new land transactions play out. In situations of relative land abundance and low levels of land concentrations, anxieties about large scale transactions might focus more on what they promise and do not deliver, while in situations of land hunger or among migrant farmers, livelihood activities might be at risk.

In Ghana, which has a long history of small-holder agriculture with 80% of its land holdings under customary systems of land tenure, there has been a process of land concentration which has accelerated since the 1980s as a result of increased foreign investment in mining and logging (Agbosu et al, 2007). While the 1980s acquisitions generated tensions with local communities around the loss of farming lands, more recent acquisitions for the cultivation of bio-fuels and fruits for exports, which are the subject of this paper, have raised concerns about food security and the viability of natural resource based livelihood activities. While these concerns are broadly correct, it is necessary to examine particular acquisition transactions in different parts of Ghana in order to enable a clearer analysis of how local land tenure, land use and land availability conditions and the nature of particular land transactions influence the effects of transactions on local communities. This makes it possible to distinguish short term from long term effects and also to explain the commonalities and differences in community responses to acquisitions, which have ranged from endorsement and acceptance, through accommodation to contestations and resistance. Such micro analysis also enables us to unveil the different players and their positioning in land tenure transactions- the state, the local state, traditional title holders at various levels, the local technocratic elite and the company owners and officials, foreign and local. In the same vein, one can examine the impacts on various categories of land users- members of landowning families and stools, other community members and migrant farmers- as well as the social relations of class, gender and kinship- which structure their relationships and their experiences of the acquisitions.

From a policy and rural development perspective, such micro-level studies are useful for generating policy and practice which takes into account the different interests within the land acquisitions- communities and their members, governments, campaigning groups and trans-national corporations. This paper is based on a study of two commercial land deals for agri-business in rural Ghana. The projects- the Prairie Volta Rice Company Ltd and the Solar Harvest Ltd, formerly Biofuel Africa Ltd are based in the Volta and Northern Regions respectively. This Volta Region's study area's land tenure system is based on family land holdings and while the Northern Region's has a chieftaincy system of land tenure. This as well as their environmental and livelihood specificities, and the particularities of the land

transactions being studied, allow a comparative perspective on the identified questions of interest to the study.

The study combines primary research with secondary data on transnational land transactions. The study employs largely qualitative methods of data collection. These include a) in depth individual interviews with local male and female farmers; b) focus group discussions with all male and all female groups. As well, there have been expert interviews with traditional authorities and company officials.

The paper is organised as follows: This introduction, which sets out the research questions, objectives, a conceptual framework and the background to the study is followed by a presentation of the two case studies. The paper then identifies some of the thematic issues emerging from the cases and examines them. This is then followed by a summary and conclusions.

## 1.2. Methodological Issues of the Study

### 1.2.1. Research Questions and Objectives

Three broad research questions were the basis of the study on which this paper is based. They were as follows:

- i. Is the nature of particular transnational commercial land transactions, i.e. their structure, business model, the role of different actors and mitigation measures a factor in how local communities respond to them?
  - a. Are environmental characteristics and local rules of land tenure factors in how communities and their members are affected by transnational land transactions, looking at among others, the sustainability of livelihoods and land tenure arrangements?
- ii. Are there differences in impacts and responses within communities (different types of land users; people with different kinds of land interests; gender; poverty status, migrant status)?

The overall aim of the study was to provide a deeper understanding of the processes, challenges, opportunities and risks of transnational commercial agricultural land acquisitions in Ghana over the last ten to fifteen years. Specifically, the study sought to:

- i. Examine the nature of particular transnational commercial land transactions in Ghana, their structure, the different players involved, the business model and mitigation measures they have put in place and how communities have responded to particular transactions.
- ii. Explore how factors such as the local environment and its land holding systems affect how transactions affect livelihoods, the environment and land tenure arrangements.

- iii. Analyse local responses to land acquisitions and the extent to which there are differences among social groups (different types of land users; people with different kinds of land interests; gender; poverty status, migrant status).

### 1.2.2. Towards a Conceptual Framework

The study is situated within an approach which considers contemporary transnational land transactions within the framework of agrarian stagnation, the failure of agrarian transformation and ongoing livelihood crises in the countryside in many parts of sub-Saharan Africa. This suggests that transnational land transactions are taking place within an already difficult situation in which land tenure systems are in a state of flux and are the subject of aggressive reforms to strengthen the liberalisation of land markets. This is contributing to the erosion of the communal principles underpinning land tenure systems and the take-over of agricultural lands by the rural elite with the support of the state and the urban elite. A long term process of land concentration and the dispossession of small farmers has been accelerated by more recent land transnational land transactions. While these are common processes across Ghana, their specific manifestations are determined by the nature of the customary land tenure systems of particular areas, whether or not it is an area of out-migration and land abundance or in-migration and land scarcity, the status of the land in question and the particular uses to which the acquisition is applied.

It is important to appreciate the varied range of transactions which fall under the rubric trans-national large scale commercial land deals. These variations are not trivial in that the legal and business models of the acquisitions influence their operations, impacts and local responses. While there is a distinct pattern of acquisitions, each has to be examined in ways which unearth their specificities and commonalities in order to appreciate the impacts of transactions and responses to impacts. Furthermore, these issues are complicated by the trajectories of particular transactions. No all of them have gone according to plan as a result of changing local and global conditions. For example, the growing unpopularity of bio-fuels in global discourses has had implications for its cultivation in Northern Ghana. In other parts of Ghana, bush fires, litigation, changes in national government and traditional authority have affected the trajectories of certain acquisitions, and these need to be taken into account in any assessments of their impacts.

While the studies of transnational land have been keen to examine the processes of acquisition and the roles of the different players- the state, the company, the traditional land owning authorities and local farmers- and this focus may be because many transactions are too recent for their effects on livelihood outcomes to be established, we have selected transactions which are old enough for livelihood effects to be discussed, even if not fully established. The study proceeds with the assumption that communities with different resource endowments, levels of land hunger, risk conditions and environments would experience large scale commercial

land transactions in different ways. As well, men and women, locals and migrant farmers would have particular issues of concern.

In focusing on the rural economy, where local food-crop farmers operate, the study is able to examine how changes in the availability of different categories of land-farmlands, grazing land and common property resources affect different categories of community members.

Linking micro effects with the roles and responses of different players in the land transactions under examination provides information to examine linkages among the different levels in the land transactions. The presences and absences of the national and local state and the roles and positioning of the traditional authorities, land owning family heads and company workers provide material for discussing how the governance of natural resources is implicated in the outcomes of transnational land transactions.

### 1.3. Agriculture and the Land Tenure Systems in Ghana.

Small-holders remain the backbone of the agriculture in Ghana, which has an agrarian economy and society. Agriculture in Ghana has been long in stagnation in spite of decades of investments in the recovery of agricultural commodities such as cocoa. In spite of the high profile of the cocoa industry and non traditional export commodities such as horticultural products, traditional food crop farming and food processing for both subsistence and market transactions are the mainstay of many agricultural families, with a minority also venturing into livestock, mostly rearing poultry and small ruminants.

The state of agriculture in Ghana is due to several factors- low levels of technological development and intensification, a preference for free market policies and solutions, an economy without the needed linkages among its sectors and the failure of industrialisation and value added production. The difficulties within the land tenure system compound these problems in agriculture. Although much of agricultural land is under customary tenure systems, there is legal pluralism in the land tenure system which in some cases creates confusion about which laws govern particular transactions. Also, there is a steady erosion of customary principles which is leading to the widespread resort to market transactions, including agricultural tenancies which are resulting in processes of land concentration and land fragmentation, particularly in the peri urban areas and areas of population density. Even in places of relative population scarcity, competition among the different possible uses of land creates stresses in the land tenure system. The literature suggests that certain social groups are the most disadvantaged by the problems of the land tenure system- women, migrants and young persons (Agbosu et al. 2007; Aryeetey et al, 2007).

Under customary tenure systems, agricultural land is either under the control of land-owning families with most decisions made by the family heads and their elders (Accra and the Volta Region) or is stool-land (Asante, Brong Ahafo, Eastern, Central or Western Regions) or under the control of skins (Northern, Upper East and Upper West Regions). These differences notwithstanding, we can observe a convergence in the land tenure system linked to the interplay of market forces with the chieftaincy based feudal social relations of the countryside. Family heads increasingly ignore the communal principles of the land tenure system and reinvent custom to enable them to transact in land as would feudal overlords. In Northern Ghana, the earth-priests, the traditional custodians of land have been edged out by paramount chiefs who now exercise control over the land. The 1992 Constitution, in returning land in Northern Ghana to the control of customary land owners has given legitimacy to the processes of privatisation of common property resources (Yaro, 2010).

The state regulates and legitimates customary land transactions, providing an additional element of homogenisation in the adoption of the language of received law in describing land tenure interests. There is much confusion created when terms such as the customary freehold and used interchangeably with customary land interests such as the usufruct (Agbosu et al, 2007).

Within the various land tenure systems, there are differences in land interests between indigenes and migrants, between men and women and between older and more established community members and the young men. Women, even as members of land owning lineages are disadvantaged by discriminatory inheritance practices and marital residence patterns which keep them away from the natal communities for much of their working lives, meaning that they often have to resort to land belonging to their husband's lineages or to market transactions such as share contracts, or to land donations which are not very secure. These inequalities in the land tenure systems have contributed to the fact that women routinely have smaller and less fertile land, and experiences challenges with productivity and livelihood outcomes (Quisumbing et al, 1999; Goldstein and Udry, 2008).

Since agriculture remains largely based on hoe and cutlass and extensive land use, fallow systems are very critical. Fallow land together with common property resources are very important supplements to livelihoods. The commons provide water, fuel, forest produce- vegetables, fruits, medicinal plants and meat as well as grazing rights. The commons are often underestimated in discussions about land hunger and food security. However, in resource poor communities and in rural farming systems, the commons provide critical support for livelihoods, and are particularly important for the most disadvantaged members of the community.

## **2. Case study 1: Prairie Volta Rice Ltd Project**

### **2.1. The lower Volta: Long Term Livelihood Crises and Out-Migration**

This section is an account of the findings of the study of the rice project of the Prairie Volta Rice Ltd in the South Tongu District of Ghana. The project is popularly known as the Aveyime Rice Project because its offices and rice mills are at Aveyime. However, land for the project's farms was acquired from the elders of Mafi Dove, a few kilometres away. The South Tongu District is in the Lower Volta, on both sides of the banks of the Volta River as it heads out to sea. The people of the area are the Tongu Ewe, with a long tradition of river fishing and flood-plain agriculture, which was disrupted by the damming of the Volta at Akosombo. The result of this has been long term economic depression as the livelihood activities structured around the seasonal flooding of the Volta- River and creek fishing, farming and clam picking- were disrupted. The area has never recovered and has experienced massive out-migration and the long term decline of its traditional livelihood activities. Currently, the main livelihood activities of men in the area are farming, with fishing as a minority activity, while the women are mostly engaged in farming, trading in foodstuffs, making charcoal and baking bread (Tsikata, 2006).

Because of the poor rainfall patterns of the Lower Volta, farming has for long been small scale, with average farm sizes not more than one acre. The land tenure system is lineage based, with one of two lineages owning the allodial title to land in their community. These lineages are often credited with the status of community founders who are also in charge of some of the key religious shrines of the community. The lineage system of land tenure implies that all members of the lineage are entitled to portions of the land for farming and housing. On clearing virgin land, they secure a usufructory interest which they can pass on to progeny. As land clearing is traditionally men's work under the division of labour in farming, much of the usufruct has come to be held by men. Women's land interests as members of land holding lineages are reasonably well established and secure although they often have smaller plots than men, and this is often attributed to men's ability to afford mechanised technologies, whereas women continue to use the hoe and cutlass. However, many other factors contribute to gender differences in the size of landholdings. Marital residence for example, plays a role, in that as wives, women are able to access land from their own lineages only as long as they continue to live in their own communities, often losing or weakening their interests if they migrate.

Large scale out-migration which men dominated has meant that land is not as scarce in South Tongu as it is in densely populated communities in other parts of Southern Ghana. This, combined with the generally small size of farmlands and the poor livelihood outcomes in agriculture makes the area an attractive place for the acquisition of large tracts of land for commercial farming. The study shows however that the picture is not uniform, as there are several land scarce communities in the Lower Volta, whose land situation is a result of in-migration from neighbouring areas.

## 2.2. The Company: Long Traditions of Texas Rice



The present owner of the rice project is a limited liability company known as the Prairie Volta Rice Ltd. It is a joint venture with GOG and an American company called Prairie Texas. GOG has 30%, Prairie 40% and Ghana Commercial bank 30%. The project had been owned by another group of American investors, who had left after some controversies about their mismanagement of the project. The Ghana government's equity in the business is land compulsorily acquired from the people of Mafi Dove. Respondents have differences regarding the acquisition was made in the 1960s or 70s, but the likely date is 1977.

The project is the company's only business in Ghana. The CEO, who is from the United States, had worked in Nigeria, but no longer had any businesses there. He came from a family of rice farmers in Houston Texas. His motivation for acquiring land for rice cultivation in Africa was because he and his brothers were of the view that there was potential for rice farming. This was based on their experience in Nigeria and visits to Gabon, Cameroun, Burkina Faso, Mali, Cote d'Ivoire and Ghana. The choice of Ghana was mainly because of already existing infrastructure which had been put in place by the defunct Quality Grain Project. These were assets which had reverted to the Ghana government when the project failed. The equipment was sold to the Prairie Company, while the land represented the government's equity in the new project. The company therefore was not able to select the most suitable land for rice cultivation. The main problems with the land are the rolling topography and the heavy cover of neem tree bushes on the land. This undesirable topography has financial implications. According to the finance manager, it cost the company \$4,000 to develop an acre of the land whereas they had originally budgeted \$2,500.

### **2.3. The Acquisition: The State as Equity Partner**

There are two main tracts of land in the possession of the Company. The first is five hectares of land on which stands the company's offices, workshops and mills at Aveyime. In addition, Prairie has acquired 15 hectares of land for a landing strip. The second piece, the subject of this case study, is the government acquisition in 1977 of 1250 hectares of land owned by the Mafi Dove people which is where the rice is being cultivated. The Company is also in the process of acquiring a third tract of land which is discussed in Box 1 below.

#### **Box 1: The Agorta Acquisition: Avoiding Past Mistakes?**

The Prairie Company, at the time of this study was in the last stages of acquiring over 2,000 hectares of land in another part of the Lower Volta, closer to the estuary, in a community called Agorta, near Lolito. According to the finance manager of the company, who is the lead person in this acquisition, the company was looking for about 5,000 hectares, but could not get all of it from one source. For this reason, they had to settle on 2,000 hectares. However, there is more they can buy once they are on the ground.

The land had not been fully acquired, although all the key steps are in place. An MOU has been signed by the parties, witnessed by the DCE. What remained was the payment of compensation and the resettlement of displaced farmers. This new acquisition seeks to avoid the mistakes of the Mafi Dove acquisition which was the subject of a protracted dispute. The company identified the land owners from talking to the land users. The acquisition is a fifty year lease and the land which is fine clay, has a flatter topography and is very close to the river. It is estimated that it would cost between \$1400 and \$1800 an acre to develop this land, compared with the \$4,000 to develop the land at Dove and they would not need bulldozers, only tractors.<sup>2</sup>

Proximity to the main road was an important factor in the acquisition at Agorta, although the project expects to construct a new road from scratch and improve other roads. The area's low population density is considered an advantage, although from the point of view of the company, it might also signal that the land was not suitable for farming. As the Prairie CEO noted, "We would like to see low population in the acquisition area. Lower population means fewer complications. Unfortunately, low population might mean the land is not desirable". The land acquisition has involved negotiations with three landowners (one principal landowner and a couple of others) at Agorta. The land is not yet being used by the Company. There is some cattle being reared in the area. The finance manager expects the company to pay compensation for crops when they begin to use the land. Beyond that, the land users have no rights to compensation for the loss of farms, because in his words, "they are settlers and they have no say on the land". They had also been assured by the land owners that the land users would be given new land to farm.

The company would prefer to make a once a year payment on the lease instead of a one off payment for the fifty years. In addition to the payment, it plans to "do something" for the communities- namely site development on their farms and allowing them to use some of the water from the irrigation system. This would involve extending canals to their farms and paying for this. The company does not intend to establish schools and health facilities although it considered such action a good idea. There are no restrictions as to the use of the land, according to the company.

The American CEO left the Agorta acquisition to his staff to handle as he did not want his presence to inflate prices. A first meeting with the land owners was not conclusive. Thereafter, the company approached the District Chief Executive who arranged a meeting and with the owners of the land, which the CEO did not attend.

The price for this new acquisition at Agorta is to be Gh c50 (US \$36) per hectare per year. The company would like to pay this amount yearly or every two years to avoid putting too much money into the hands of the land owners at one time and also to renew regularly a sense of mutual reliance. This way, if new claimants should appear down the line, they can still be accommodated. Should there be the need to adjust payments due to inflation or currency devaluation, the terms of the lease should be able to accommodate it. The landowners on the other hand want the company to pay for five years of the lease at one go and pay for the entire acquisition even if the company was not using all of it. The finance manager thinks they might be able to get agreement to pay two yearly installments, and down the line begin to make five yearly payments if they have the resources.

<sup>2</sup> Land development is a one off activity. As rice need not be grown in any particular type of soil, the soil is suitable for rice, though its low ph balance makes it alkaline and therefore unsuitable for other crops such as maize.

The company is yet to fully execute its part of the transaction because they do not yet have the money to pay and do not want to start using the land until they have the money. Also, they are interested in the completion of processes such as the survey of the land, the determination of boundaries and the public declaration of the acquisition to give people with claims a chance to make them. The money will not be paid to the land owners until these claims are resolved. After a final public hearing, the lease will be signed and then the parties will have a binding agreement. The company has no prior experiences with these procedures but believes these are the steps to follow to acquire the land fully.

The Mafi Dove land was acquired by decree. No compensation was paid to the land owners. The matter of compensation remained in abeyance until the Prairie Company arrived on the scene. The land owners, specifically, about ten claimants, then filed a suit three years ago. The head of the Prairie Company thinks it was a mistake for them to take this action which has the effect of taking the matter out of the traditional dispute settlement domain. The Company has responded by depositing the selling price of the land in an escrow account, awaiting the court's decision as to who is owner for the money to be disbursed. By this action, the Company is effectively paying \$102 per acre or \$260 per hectare. The Prairie Company believes that it is in the process of buying the land from the government. In the meantime, the company has been allowed by the communities to continue cultivating the land while the dispute is being resolved.

An important factor in substantial acquisitions are the state regulatory agencies. The activities of the Environmental Protection Agency (EPA), not the most robust of regulators, are a source of frustration for the CEO of Prairie, who notes that while they have conducted their own impacts assessments, they had no intention to submitting them to the EPA. "We keep a low profile with EPA". The CEO feels strongly that regulations should not constrain investment and should be realistic. The Company believes that the chemicals they are using on their farm are safe because they are being used in California. Things are not much better with the Lands Commission. The Company has had to pay a recording registration fee which it considers excessive, because while in the US, the payment would be in the region of \$25, they have been asked to pay around \$100 000. He believes the charges should take into account the size of the acquisition. The land use planners have not involved in the acquisition since it is mainly for farming, although the company is permitted to build ware houses and housing.

In addition to EPA, the company is not happy with government bureaucracies such as Custom and the Ghana Civil Aviation Authority (GCAA). In his view, they have not facilitated the company's operations in setting up a regulatory regime which is expensive for investors. "I found them to be counterproductive. When you are rich you can afford all these nice protections but they must be at reasonable cost".

Another problem has been the technological knowledge and skills of employees. The CEO raises the issue as a communication problem which can be address by more aggressive training programmes for the staff on the technology.

#### 2.4. Activities since the acquisition: 300 Hectares; 2000 Tonnes of Rice

The company has put in place an irrigation system with equipment powered by a diesel engine. The office site and the mills use electricity. Most of the company's employees (over 90%) are from the North Tongu District, though not necessarily from the project communities. The CEO thinks it would be good to increase the percentage of non-district employees in the future. They are engaged in different tasks structured into 8 to 10 sections of the company. These include into aviation, milling, farming, irrigation and administration. There are 11 management staff, all male and seven of these are Ghanaian.

So far, the company is cultivating only 300 hectares (about 25% of its production target) and while there are plans to increase the acreage to 1,000 hectares, it is envisaged that much of the new development would be at Agorta. Cultivation at Mafi Dove would increase to between 400 to 450 hectares, and the rest of the new cultivation would take place at Agorta.

The company will retain the land they have at Mafi Dove and probably charge a token to people for its use as a maintenance function. Already, the Company allows people to farm the land they have not cleared. As we shall see in the account of impacts, the land now has a different status which affects what it can be used for.

The company is not experiencing negative press. The MD was categorical that they have a lot of good will and good understanding from the general public. He thinks it might be because they are not making huge profits and are not repatriating any money. Moreover, he believes that the fact that they are cultivating rice for the local market might be a plus. Projects such as these are seen as an opportunity to solve the problem of Ghana's huge rice importation bill which runs into several hundred million dollars a year. The company began to harvest rice less than two years ago and has sold so far sold only 2,000 tonnes. So far, all the rice has been sold in Ghana, and there are no immediate plans for exportation. Should this happen, it would be to other West African countries. "The market here is better than any place in the world" (Interview with MD, Prairie Ltd). The rice is of higher quality than that produced by local farmers and is sold at prices close to that for imported rice. The CEO argues that consumers are being asked to pay for quality and not location.

#### 2.5. Responses of local people to land acquisition – relocation, changes in livelihood activities, migration: Despair in Tademe; Disappointment and Anticipation in Mafi Dove

There are three kinds of community affected by the Prairie Company's activities. They are Mafi Dove, the land owning community. Bakpa Tademe, a community situated in the middle of the acquisition, which declined resettlement and a small

village of cattle herders resettled by the project a short distance from their ancestral home. The discussion of impacts and responses will focus on the three communities.

In general, in Bakpa Tademe and Mafi Dove, the Prairie Project was considered to have possibilities for generating employment to rejuvenate the local economy which has been in long term decline. Therefore communities had no initial anxieties about the activities of the Company. These jobs have not materialised mainly because the company's activities are capital intensive and also because apart from the farms, its milling and other activities are quite a distance from the communities bordering the farms. For some reason, employment creation continues to be a strong expectation.

Bakpa Tademe is probably the most seriously affected by the activities of the company for two main reasons. The first is that the 300 hectares under cultivation are the lands they used for their farming activities and also for their commons. The commons were used for collecting firewood and burning charcoal, sand winning for construction and the collection of clam shells which were important activities for men and women in the community. Secondly, they have no spare land, as they were already hemmed in by Tefle to the South with who they are in dispute about the only remaining land on their shared boundary and various Mafi communities to the North and West. Tefle has recently given out this land to a company to grow passion fruit. Attempts to use land belonging to their neighbours for fuel wood, charcoal burning and fruit harvesting have been rebuffed. The women reported that their cutlasses were taken from them when they ventured onto those lands. As respondents noted, "now we are hemmed in. All the lands around us are not available (women's focus group discussion, Tademe).

The Prairie Company started farming only 2 years ago. However, the acquisition was made sixteen years ago and the Quality Grain Company- another American led consortium used the land for a while before they left. After Quality grain left, the Tademe community was not permitted to use the land, and this was being enforced by guards placed there. As they did not own the land, they were not compensated for the acquisition. Only two community members were employed by the Prairie Company with whom the community leadership have no direct dealings.

Prairie also does not permit the Tademe community to collect whatever rice is left on the farm after the mechanical harvesting. Instead, the land is flooded immediately after the harvest.

The main response of the Tademe community has been more outmigration. Some migrants who returned in anticipation of new jobs and opportunities, particularly the younger migrants have left once again. Those remaining eke out a living from the little land left and also from selling cooked food to community members and to workers on the Prairie farms. Some people, particularly the older women, have also stayed on account of their children and grand-children's education.

In the case of the Mafi Dove, while their farms were cleared and compensation paid to the majority of farmers, the land is not yet being used. Therefore the farmers have returned to the land to carve out portions for themselves. However, the new farms are not at the same places as their old plots and also they no longer have the usufructory interest they had in their old farms. There is a clear understanding that if the company should decide to start farming, they would vacate the land. For this reason, quick maturing crops such as maize and vegetables are preferred to cassava, an important staple. The concern about the land being taken away without notice does not appear to have affected farm sizes. Respondents mostly said they were not afraid of losing their land as there were other options. However, several people have to cross a stream to go to their new farms, and in the rainy season, they have to go by canoe. Thus, while there was not a strong sense of land scarcity, there were inconveniences for those who now had to use land outside the acquisition. Even more troubling, land use conflicts between farmers and pastoralists have clearly intensified since the acquisition, with the farmers complaining about cattle destroying their crops, both around the acquisition and also across the stream.

Although the land had been acquired by government, state officials still visited to discuss the project with the Communities. The Mafi Dove chief agreed to release the land only after pressure from the then vice president of Ghana, who is currently Ghana's president. He had refused to give out the land because in his words, "they took the project to Bakpa-Kebenu after I had agreed to give out my land. I was angry and said the project should not be extended to our land. It should end at where we share a boundary with Bakpa Kebenu. So Atta Mills came and plead with me to release my land for the project to take off" (Interview with men's focus group discussion, Mafi Dove).

The chief agreed to have the project on the basis of promises to provide him with whatever he wanted and to provide work for members of his community and pay them compensation. The landowners' compensation was not paid until a new government came to power. The chief used part of the money he received as part payment, to build a palace. A portion was shared to the heads of the five clans who then distributed the money among their members. However, women were excluded from this distribution, and they expressed unhappiness about this during their group discussion on the basis that they were also members of the land owning lineages.

With regard to crop compensation, though, both men and women were paid one off amounts ranging between 15 and 20 Ghana cedis (between \$10-15) for their crops, but not for their loss of commons resources such as palm trees, mango, velvet tamarind and other fruit trees. Before the land was cleared, the fruit trees were found in quantities which made them a significant livelihood resource, particularly for women. People came from outside the community to purchase mangoes and other fruits to be sold elsewhere.

The elders have no idea the terms- price and duration- on which the land was given to the Prairie Company. The community's main demands relate to negotiations and compensation.

*"There should be a negotiation and the right compensation paid. The government alone should not decide on the value of the land. We were thinking that the project would take off so the youth of this town would be employed. We have not been treated fairly at all. We gave out the biggest tract of land but the headquarters is on a different land (Aveyime). We will ask for the head office to be moved to Dove land, and if not, the project will not take off. We would also ask for the name to be changed to Dove rice. We want our name to be heard" (male focus group, Mafi Dove).*

Another concern is that plans to irrigate the Accra Plains would take away the rest of the lands that the Mafi Dove community have. As one respondent noted, "we will become landless if the two projects (Prairie and Accra Plains) take off" (Male respondent, Mafi Dove).

The fact that there are delays in the use of the land by the Prairie Company are a deep source of frustration, particularly since there is the expectation that the project would provide employment for some, and multiplier effects such as being able to supply goods and services to company workers. One solution proposed was that the landowners should have the freedom to take back their land where there are delays in starting the work (Women's focus groups discussion, Mafi Dove).

The people of the resettlement community had agreed to be moved across the road to lower lying land in order to ensure that the company had a continuous unbroken acquisition. New homes have been built for 2/3s of those who had to move. They were promised water, electricity, toilets and good drainage. All these are yet to materialise. The main challenges for the resettled community are the poor quality of their new houses which have already developed cracks, the poor drainage in the resettlement village, which makes life difficult when it rains, and the lack of alternative grazing land. The construction of new roads and the lack of electricity have brought some insecurity to the area as cattle rustlers have intensified their activities.

The resettlers argue that some of the people who were not farming before the acquisition are now using the acquisition, so cattle are not allowed to graze, and are attacked any time they come close to the farms. There have been situations where they have had to pay compensation for crops which haven't been destroyed. They envisage that the situation will worsen once the Prairie Company extends its farm. "Once the farm is extended here, there will be little land for the cattle and the farmers might also want the land at the back. They are not saying we should not rear cattle, but the conditions are not good" (focus group discussion in resettlement, Mafi Dove). It may be that some of the hostility to herders, who are Fulani, is on account of their status as strangers. This is in spite of the fact that much of the cattle they are herding

belong to locals, some of whom are from Mafi Dove where there is a longstanding prohibition against animal rearing in the main settlement.

## **2.6. Impacts on the local agrarian economy**

The main benefit of the project according to the CEO is its positive impact on the project on the overall economy of Aveyime, where the offices and mills are situated. In less than two years of the company's operation, Aveyime has been transformed from a quiet community with few economic activities to one in which there is more traffic of people and vehicles and more money changing hands. The employees of the company use their earnings in the community, renting accommodation and buying a range of goods and services. Secondly, the company has improved the roads between Aveyime and Mafi Dove, where the farms are found. This they did with governmental support, according to the CEO.

The company employs over 100 permanent staff and a casual labour force of between 50 and 60. Although the CEO argues that women make better employees, this is not reflected in the gender composition of staff. At the moment, there are only four females who work as office staff and 10 who are among the casual staff in the field. They are used on a contract basis for transplantation. There are no females among the permanent labour force. The CEO argued that he would like to change that. "If we significantly advance in our production and advance our training I will personally see to it that half of the trainees will be female. I am not opposed to high percentage 50- 80%. Women take better care of equipment. They are more judicious and conscious". When and how this will happen is another matter as the CEO acknowledges that the situation is because men think they are entitled to the kinds of jobs on offer, probably because much of this work is machine based.

Interestingly, the farmers at Dove are not getting the support being promised at Agorta. Although there is irrigation water, it is not being used by local farmers. According to the company, this has nothing to do with charges because they are not charging for this service. Certainly at Tademe, there is not much land that can be used by local farmers. At Mafi Dove, the Company has no plans for an out-grower scheme. The Prairie CEO believes that the out-grower must be advanced be able to take advantage of modern technology. They also have to be big enough to use tractors and machinery. The smallest size of plot that would be feasible in an out-grower scheme is 20 acres, and these conditions do not exist with the communities.

These benefits have not had a significant impact on the local economy of the lower Volta, which has been in long term crisis since the impacts of the Akosombo Dam began to be felt in the area in the 1960s. In recent times, many migrants had returned home because of deteriorating conditions around the Volta Lakeside, where many of them had gone to fish and farm. Their expectations of the Prairie project have certainly not been met. This is because the clearing of the land, first by Quality Grain and then Prairie has reduced the land available for farming and other activities,



although the degree of impacts is different for the three communities discussed. In both Tademe and Mafi Dove, there are reports that some people have responded by re-migration, which has its own implications for the economy of the Lower Volta. In Tademe, the male focus group discussion reported that “we are idle. We do not have any work to do. Because of that people have left for Praso, Yeji, Krachi and other places”. While migrants are giving some support to family members, they also have left children to be looked after. As well the re-migration has contributed to the decline of economic activities in the area.

For those remaining in their home communities, they have had to continue making a living in a more uncertain environment, characterised by a general reduction in land availability for farming and the contraction of the commons, a source of grazing land, fruit trees and fuel wood, thatch and wood for building and wildlife. While women used the land more for charcoal and for picking fruit, the men used it grazing and building materials such as rafters. It is important to point out that already, the vegetation cover in the area had been destroyed by overgrazing cattle and intensive charcoal burning. This had affected the availability of grasscutter and rabbits which thrive in thick vegetation.

*Two Tademe residents- Amavi and Kofi*

*Amavi is 58, female and married with children and lives at Tademe. She sells kenkey and farms two separate plots of land across the road. She grows pepper on the land, which is her grandfather's plot. She also has four goats. Before the acquisition, she was farming four acres with beans, cassava and maize, and also making kenkey. She sold some of her farm produce and the family consumed some as well. She had been given the land by her maternal grandfather. With the acquisition, she lost her four acres. She is now surviving with the help of her three children who are into small scale mining in the Eastern Region. Kenkey is now her main source of income and her customers include the workers on the rice farms. She now has to buy most of the food she eats. She and her husband now farm on the same small plots. He also used to have his own farm of some of six acres which he has lost.*

*Kofi, another resident of Tademe is 70 years and has two wives and many children. He no longer works because of his age. He used to farm beans, maize, okro, tomatoes and cassava which he consumed and also sold for money to buy his other needs. His farm was quite close to the village. He was away when the land was cleared with his crops and paid some compensation. He had no idea when the land was given out to the government. He did not find alternative land, so resorted to farming on the river bank on a much smaller piece of land. This year, he lost his crops because of the spillage programme of the dam. He feels the best solution is for them to be given some of the land with some water so they can continue to farm as has been done with other irrigation projects in Ghana.*

At Mafi Dove, women are engaged in farming cassava, beans, groundnuts, pepper, tomatoes, okro and bambara beans. In addition, some engage in charcoal burning, farm labour and some trading. Men were engaged in farming, farm labour and

fishing. With the decline in the fishing, they are mostly now involved in farming. Other purposes for the use of the land are firewood and charcoal. This is in jeopardy now, because land clearing by the company has destroyed all the trees.

*Mafi Dove farmers- Ablu and Kodzo*

*Ablu is a 45 year old married female who is an indigene of Mafi Dove. Her main economic activities are farming and trading in cassava dough, sugar cane, okro and tomatoes. She farms only one acre of land because she does not have money to hire a tractor. Her farm is across the stream. Trading is really her most important economic activity although she also collects firewood and makes charcoal. She is not afraid of losing her land across the stream. She lost an acre in the acquisition. Her main complaint was that she was not compensated for the loss of her cassava. While she has access to land within the acquisition, she is afraid to cultivate a large tract and to grow cassava as she does not know when the project will take off. She thinks land is scarce because there are people who do not have any other source of land outside the acquisition and believes that they will suffer hardship when the project takes off.*

*Ablu's sense of scarcity is not shared by others in the community. Several respondents said there was not a scarcity of land. Such persons are typically using the land which has been acquired and also have land across the stream. Aku, who is using land belonging to her husband is farming on the acquisition, and can also use land across the stream if necessary. Her main complaint is that the land was cleared of the mangoes and other fruit trees which are no longer found in large quantities.*

*Kodzo, who is aged 38, is a toll collector and farmer. He has two plots totalling 11 acres on which he is growing cassava, pepper and maize. He is also farming on the acquisition and on land outside the acquisition. His main concern is that the Prairie company could extend its activities anytime. As well, he could lose his other plot to the Accra Plains Project. However, he has information that the latter project will be an out-grower scheme. He also notes that those who do not have other land will have a problem when the Prairie Company expands its activities.*

In a largely agrarian political economy which is not thriving, it is no surprise that the acquisitions are seen in terms of job creation and the stimulation of the local economies. Only Aveyime, where the mills are located has experienced an expansion in economic activities. Even here, the tangible benefits are not very widespread. At Tademe and Mafi Dove, few jobs have been created, and even these are mostly casual and seasonal. Several respondents felt that benefits such as compensation, jobs and even shares in the enterprises would encourage support for the acquisitions.

The duration of the acquisitions is a factor in the strength or otherwise of their impacts. In one focus group discussion, it was argued that the acquisitions are not a bad thing, but the land should not be sold outright and should not be leased for more than ten years at a time. "If you lease land for 50, 99 or 100; then you are not thinking about future generations" (Men's focus group, Bakpa Tademe).

### **3. Case 2- Biofuel Africa Ltd., Now Solar Harvest Ltd in the Kpachaa Area of the Northern Region**

#### **3.1. Locational characteristics**

Solar Harvest limited, formerly Biofuel Africa Ltd has its operations in the east of Tamale on the Yendi road covering an area that encompasses seven villages - Kpachaa, Jashe, Tugu, Kpalkore, Joro, Chegu and Tijo. The people in the villages are mainly migrant Dagomba people. Some of them commute seasonally and even daily from Tamale with the recent improvements in transportation. The main economic activity in the villages is farming. Other activities include firewood gathering and charcoal burning, shea butter and dawadawa/condiment processing and trading by women, agricultural labour by both men and women, and the rearing of livestock, mostly by men.

Land tenure systems in the area are guided by the principles of skin land ownership. The overall owner of lands is the Yaa Naa or Chief of Yendi, who appoints divisional chiefs to take political and economic control of land and natural resources. The five divisional chiefs in the area are Tijo-lana, Sang-Lana, Mion-Lana, Salankpang-Lana and Zakpalsi-Lana. Smaller village chiefs control the day to day administration of land especially as used by small scale farmers. Within each village, family heads freely pick and choose from the pool of land available and notify the chief of their claims. Migrants offer the village chief cola nuts and are also allowed to pick and choose from the pool of land. These land claims cannot be reversed by the village chief unless a claimant comes under serious social accusations that demand accused persons vacate the village. Also, when the divisional chief and paramount chief need the lands for a purpose deemed to be 'in the interest of the kingdom', these lands can be recalled without any compensation since they were not sold to land users. For indigenes, recall of lands goes with offers of new lands, while for commuters and other migrants, no guarantees are available (Interview with Tijonaa- Divisional chief of the area).

#### **3.2. The company**

Biofuel Africa Limited became a fully registered company in Ghana in 2007, named after a holding company in Norway. It was started by three founding directors/ owners from Norway and became bankrupt in 2009 following the global financial crisis and subsequent loss of interest in and reduction in the economic viability of biodiesel. The Company has attracted criticism, including corruption charges that dented its image leading to the loss of financing. Two of the founding members and their families bought the company and decided to diversify into food crop

production. This led to the birth of the new company in October 2010 as Solar Harvest limited with a new focus on food production. Food crop production, the resident director argues, has a faster pay-back time than jatropha which has a gestation period between 4 to 8 years. According to the resident director, *'Biofuel is still interesting but we have put more focus on food production'*. Maize is the new crop chosen because of the success by local farmers to whom the company gave part of its acquisition to grow the crop. The first year of maize cultivation was a disaster due to heavy rains that resulted in water logged conditions leading to a harvest of only 8% of conservative yield estimates.

Solar harvest limited has leased 10,600 hectares of land with the majority being Kpachaa village lands. 400 hectares has jatropha planted and 220 hectares has been used for maize. They have just cleared another 500 hectares on the left side of the road towards Yendi for the next season. It also has a smaller parcel of land of undisclosed size at Kpakore (the Ghanaian partners home village), but only three hectares have jatropha on trial basis. It has recently leased a small (25ha) piece of land in Dipale in the north of Tamale for vegetable production. The future according to the investor is vegetables since these have high demand in Ghana and global markets. It intends to acquire between 2000 and 5000 hectares from Dipale for vegetable cultivation using water from the White Volta River to power their **Centre Pivot Irrigation** system, a more efficient irrigation system, but one which requires complete removal of all trees.

The Tijo-Naa who is the major divisional chief leased the land to Biofuel Africa limited for 25 years and with a renewal provision of another 25 years, making it a 50 year leasehold. The amount paid was 2 Ghana cedis per hectare. The company paid for 13,800 hectares but registered 10,600 hectares. The remaining 3,200 hectares is on a fourth piece of land for which negotiations were never finalized. The first payment was for two years to be followed by yearly payments. The Tijonaa confirmed these lease agreements but had no idea about the size of land and referred researchers to his lawyer for details of the terms.

Several promises were made regarding the benefits of the project to the people of the area upon which the Tijonaa willingly gave out the land. According to the chief *'They said they would give us water, build a school for us and then employ people. Actually, they started well because they employed many people initially. But I think now their operations have gone down.'* To deal with the problem of displacing farmers from the acquisitions, the company proposed four options. According to the focus group discussion panel in Kpachaa *'at first, they proposed that if any of the affected persons wanted to clear a farm elsewhere they were ready to use their machines to clear and plough for them. The second option was that you could abandon the farm and they will employ you because money is what matters. Thirdly, they said if you wanted you should tell them so that they will shift your farm and plough for you in their acquisition. Finally, they said if you didn't want any of the 3, then you should let them pay you in cash.'* These promises galvanised support from the project from the community members and chiefs.

### 3.3. The process of land acquisition

The investors advertised in the Ghanaian newspapers for land to grow jatropha. This advert received several responses including a bid by Mr. Awal who is the current Ghanaian partner. The investors insisted on getting the best quality land. Mr. Awal therefore went to find out from farmers about the prospects of different areas. He initially tried to lease land in East Gonja district but negotiations broke down as a result of NGO intervention. He therefore opened negotiations in his home district where his grandfather is the Tijonaa. Visits were first made to the village chiefs to ask for the land. They directed him to the Tijonaa as the overlord of all lands. The linguist and a few elders led a delegation of smaller chiefs to the Tijonaa who admitted that the negotiator was his grandson and declared that their own son could not be bringing something bad to the community.

The investors insisted that the negotiator organizes a durbar of chiefs, land owners and all interested groups in land. This was done at the Tamale Cultural Centre where chiefs, NGOs, District Assembly and ordinary citizens congregated. Buses were provided to villages to convey the land users to Tamale for the durbar. The land was then surveyed across several villages but eventually the Kpachaa lands were seen to be most appropriate. The land was used before but most of the farmers had vacated the place or left it to fallow (Ghanaian partner). Most of the land is flood prone so there were fewer people to displace. The next site was the hometown of the negotiator where the people readily accepted and allowed them survey the land they needed.

The first phase was to engage with the community members and their local chiefs to win their support before the bigger chiefs append their signatures. After explaining to community members about the benefits and intended operations and getting their consensus, they organised two more public hearings, one in Yendi where the paramount overlord of Dagbon resides and the other in Tijo. Buses again ferried people from affected villages. Also, consultants were brought from Accra to do both environmental and social impact analysis and also to explain to the communities the implications into the future. Permission was given by the regent of Dagbon for the Tijonaa to finalise the deal. The Tijo-Naa hired the services of the lawyer of the regent to prepare contract agreements. The lawyer therefore acted on behalf of the two chiefs.

The amount paid initially was 13800 Ghana cedis, which was divided among the various chiefs with the paramount chief/regent receiving 40%. The Tijonaa then gave each of his sub-chiefs and fellow divisional chiefs between 500 to 1000 Ghana cedis irrespective of whose land is part of the deal.

The major players in this deal are the regent of Dagbon in Yendi, the Divisional chief of Tijo, village/sub-chiefs, the lawyer, youth leaders and elders of the chief. The chiefs control the process and benefit by way of land rent, gifts and services and

favours. The village chiefs are in daily contact with the company and may enjoy non-contract benefits. The lawyer is the major actor in determining the nature of the agreement since the chiefs are illiterates. His interests are the same as those of the chiefs with occasional concern for the land users and national regulations. Youth leaders played an important role of accepting and convincing members of the community that the project is useful and beneficial. They play a double role in consonance with benefit flows. The rest of the community suffer and gain from the process according to the changing tides.

### 3.4. Responses of local people to land acquisition

The major response of local people to the land acquisition has been to relocate from the chosen farm site of the acquisition. Two categories of farmers are distinguishable: the commuter farmers from Tamale and resident farmers. For most of the commuter farmers, they simply relocated to other villages or stopped farming altogether. A section of these farmers are rich urban dwellers who organised a strong rebellion against the company and influenced NGOs to campaign against the company both locally and internationally. The customary land tenure regulations do not ascribe any rights to this category of farmers. Hence, Tijonaa warned the company not to pay any compensation to farmers to move because they did not buy the land from him. He gave out the land to people to enable them feed their families. The customary rights principle is non-commercial; hence a commercial farmer can only claim damage to crops and not the land. All the farmers including the resident ones can be stopped from cultivating any piece of land at any time by the divisional chief when he needs the land. The option for farmers is to find new lands and ask for permission from the village chief who is glad to grant these provided they don't belong to others. The company's coming into the area is likened to 'scattering of guinea fowls in the bush when their space is invaded' (FGD men Kpachaa).

The project has dispersed the people from their farmlands and forced them to relocate. The company initially employed 75 individuals from Kpachaa, out a total of 280 employees. These employees stopped meaningful farming and cultivated only between one and two acres under the care of their wives and children since they had only the weekends to themselves. However, the collapse of Biofuel Africa limited led to retrenchment of hired labour. The immediate response of those affected was limited since the seasons dictate life in the area. They had to cope until the next farming season to start farming livelihoods all over again. Since they did not take the land swap offered by the company, most of them whose lands were under company cultivation had to take up fragmented lands behind the village. There are many women who were not paid their last wages (FGD women). The initial enthusiasm and high wages of 77 Ghana cedis per month dissipated under the influence of the global financial crisis and accusations of corruption from NGOs which made STATOIL, the Norwegian oil giant pull out of the deal.

A second group of farmers took advantage of option one, where the company offers to relocate affected farmers through swapping of land which is still part of the

company concessions but far away from current operations. The company cleared and cultivated 70 acres of land for 25 farmers (Mr. Awal- the manager). Land holding in the village is an average of 7 acres used normally for 3 different crops and located on both upland and lowland areas. Basically, the company satisfied the cereal farming needs of an average family, while families had to relocate to new valleys themselves. The majority of the village however relocated to the back of the village where a small piece of poor quality land is sandwiched between a huge forest reserve and the village. The concept of diversity of crops and cropland which is an important aspect of the farming system has been affected by the acquisition, thereby preventing people from having both valley crops and upland crops which play different functions in household survival.

The forest reserve represents an earlier loss of land and livelihoods for the villages in the northern part of the Yendi road. Residents say it is several times the size of the company's concession. The Forestry Commission allows people to cultivate on the reserve by giving permits to people willing to plant trees on the farms. This is a problem for agriculture because after a few years the farm becomes forested and there is poor sunlight for plants while tractors cannot be used given the high tree density. Farmers benefit when trees are harvested by taking a third of logs for sale or own use, while the Commission takes another third and the landowner/ chiefs take the last part. This is considered unacceptable and not useful for the food focus of the farming system by respondents. The lengthy period used in approving permits has also discouraged those interesting in agro-forestry. There is therefore a high level of land fragmentation with little possibility for fallowing, the main strategy for soil regeneration by the poor farmers.

Majority of the farmers still cultivate their old farms on the acquisition while others have cleared new lands there. Quantitatively, there have been no negative effects on the food harvested by these farmers, but qualitatively, they live in a state of land rights insecurity because they never know when the Company will expand to those areas. Also, occasionally the company uses its tractor harrows to mark the boundaries and create other visible signs of ownership to remind trespassing farmers of their stake in the land. Theoretically, there is enough land for all in Kpachaa to cultivate and achieve sustainable livelihoods, but these are not exercised due to lack of clarity of use regulations. The company is not keen to clarify matters because of the possible legal implications of displacing people twice on voluntarily resettled areas. The resident investor expressed surprise at the uncertainty expressed by community members about having permission to cultivate the rest of the 480 ha in Kpachaa, saying that even the workers on his farm were using these lands freely. One of participants in the men's focus group told the story of how the farm manager allocated his two acres to a farmer from Tamale who wanted 10 acres by arguing that he did not want to give out different parcels but one contiguous plot. Hence, village farmers with smaller holdings run the risk of being moved continuously, which is a disincentive for land investments such as fertility enhancements.

The most dramatic response has been the migration of almost a quarter of the village to their home towns and to other villages further away. The researchers counted 10 abandoned houses whose owners were said to have left the village due to land scarcity and the new wave of insecurity and emerging conflicts between the village chief, the youth and the chief of Tijo. Respondents explained that even the Kpachaa-Wulana (the village linguist) lost his lands and had to relocate further away. Commuting to Cheggu to farm is the next option considered by those who do not want to migrate, but this needs bicycles and motorcycles and lacks the comfort associated with farming close to home.

### 3.5. Impacts on the local agrarian economy

There have been mixed impacts on the local scene. As detailed earlier, the project initially employed more than one person per household as agricultural labourers earning a good wage of 77 Ghana cedis as confirmed by the men's focus group discussion. This completely changed the lives of many within the space of one year of establishment of the first phase of the farm. However, once the jatropha plants were planted the need for labour to maintain the farm reduced. This in addition to the financial crisis of the company led to retrenchment of all but 5 workers from the village as at January 2011. The manager invited villagers to harvest the maize crop of 2010 but received little interest due to the frustrations experienced by the people when they lost their jobs and had no food.

The company also fulfilled several of their promises to the village in the first year of their operations. First, they provided two dams/water reservoirs which are the main source of water for humans and livestock and may be used to irrigate gardens. They also installed a grinding mill to enable women mill their cereal without having to walk long distances or pay transport fares to other villages. They also initiated a process of paying the volunteer teacher for the local primary school which is not on government support. The teacher received 150 Ghana cedis as combined wages for working on project and teaching the kids. However, this stopped when the company collapsed. Additionally, when members of the community are seriously ill, the company uses its vehicles to transport them to the nearest hospitals. A community tractor was provided so that members could access affordable tractor services. The use of the tractor was poorly conceptualised thereby leading to local elite capture. The poor and the poorly connected never got to use it until it was withdrawn. Poorer people therefore have ended up being used as tools of resistance and acceptance of projects from which they derive few benefits. Several members of the community have out-migrated to avoid the emerging problems with land tenure, while the more successful farmers have stayed behind, vowing to resist any takeover of the lands they are using by the Company.

Women seem to be the most impacted negatively by the land acquisition as the common property resource area is vanishing under two types of pressure. First the company has acquired part of common areas referred to as 'bush lands' which has



been cleared of its vegetative cover. Second, the relocation of farmers from the company's concession to bush lands has similarly seen a process of deforestation. The company's acquisition, which is closer to the village, has all the economic trees of relevance to women cleared to make way for the mono-cropping system. This is in contravention of the EPA guidelines the resident director claimed were adhered to. Community members admitted aiding the company to clear these trees by warding off the EPA, because of the enormous perceived benefits associated with the company's operations and promises. This has come to hurt the women who no longer have shea nuts to pick and process, and have therefore lost an important lean season livelihood activity. Apart from shea and dawadawa trees, the numerous annual fast growing shrubs that are cut for firewood are no longer available within reasonable reach. This again takes away another dry season economic activity which supplements family income and provides condiments and food. As Lareba's story (Box 2) shows, common resource areas constitute the main source of survival for women during the dry season. The men also complained of declining wildlife varieties and populations due to vanishing commons except for the mice which attracts hunters yearly from the urban areas. Thatch for roofing is scarce and this is exacerbated by Fulani herdsmen burning grass annually.

#### **Box 2- Lareba's Story**

*Lareba is 31 years, without formal education who migrated to the village 10 years ago from Nyankpala, west of Tamale. She migrated to Kpachaa because of very good harvests obtained in the area. She and her husband farmed maize, groundnuts, rice and yam, while she harvested firewood and burned charcoal. They had 10 acres of land but cultivated 7 acres with 3 acres in rotating fallow. Her husband was employed by Biofuel Company initially for two months, but was fired while trying to clear virgin land after losing 4 acres to the project. One third of cereal harvested from family land is her share since she helps in all farm operations. This enables her to take care of her old father who gave birth to only 3 girls without a boy. Her own farm is one acre of groundnuts.*

*Lareba never worked with the company because she had just given birth to twins when they started. She used to gather shea nuts and process shea butter, but these days it requires long distance travel which is tedious and makes it not worth the effort. This is because the company has cleared all the trees to the right hand of the road towards Yendi where they have the biggest acquisition. When they were able to depend on firewood and charcoal, their farm produce lasted longer. Now, right from harvest, they start consuming and selling their crops, so that by the next farming season, there is little food left to eat during the wet/farming season. Previously, she earned about 180 Ghana cedis from firewood alone which buys a lot of food and takes care of small expenses of the children. Now there are food shortages for between four to five months in the year. Cassava is the only crop they have in surplus, but it cannot be used for porridge nor can it be used for the evening meal (TZ) without adding maize. Porridge is the most important for children, so shortage of maize and millet is a total crisis of family nutrition. Firewood was an important resource harvested freely from the commons. The current source of coping in the family is the sale of guinea fowl eggs and*

*guinea fowls. They had 20 fowls, but sold 6 for her husband's brother's funeral. In her old age, she hopes that her children will look after her. If the company takes their remaining land, they will return to their home village.*

The collapse of commuter farming is probably a major blow to women in the area. These farmers use to provide a major source of employment to both men and women. They were hired to sow, weed and harvest their produce. The rich farmers from Tamale also made tractor services available to the poor farmers once their own lands are cultivated. Women earned cash income during the beginning of the rainy season and then both cash and food at the end when they helped in harvesting the crops. The women's focus group members agreed that on average, a woman helping in harvesting rice and groundnuts make 2 bags of each crop by the end of the harvesting season. This translates into 3 months of wages from the bio fuel project when times were good, in addition to their own farming and dry season activities such as firewood harvesting and charcoal burning and picking shea nuts.

The food shortages reported for 2010 are partly blamed on the company's activities due to the disruption of their normal routine of life, although the floods are the major cause as it affected even the company's own operations. Community members asserted that *'This village never knew hunger except during bad years, but this last year we finished our food stocks and had to struggle for 4 months'* (FGDs Women). Coping with food insecurity is basically by women, *'because men cannot get any money in the dry season- we sell firewood and trade in other items such as shea butter and dawadawa which are now scarce'*. (FGDs Women).

There are tensions within the chieftaincy institution. The annual 'token' received by the chiefs and elders kept tradition and the sense of community alive. The replacement of commuter farmers with one company that understands that its landowner is the divisional chief and not the village chief creates new sets of difficulties and complexities in the relations between the hierarchies of chieftaincy in the area. The motivation for community governance has been taken away and resources for maintaining the community are increasingly becoming scarce.

The company was initially highly welcomed by all in the area including the paramount chief of Dagbon who saw his area as a model for producing bio fuel and generating modernisation of a hitherto agrarian landscape. In pursuance of this objective, several sacrifices were made. However, expected benefits such as the creation of alternative livelihoods have not materialised in spite of the destruction of the basis of a previously diversified agrarian one.

The economic crisis of the company enabled elite classes from Tamale to influence a previously loyal host community which culminated in a massive demonstration by local communities against the project. The Tijonaa argues that failure of a good idea is nobody's fault. The community members also do not blame the Tijonaa as they believe *'the old man meant well for his land so if things turn out to be the other way he couldn't be blamed'* (Male focus group interview, Kpachaa).

#### **4. Emerging Issues in transnational land deals in Ghana**

##### **4.1. Nature of deals/contractual arrangements and Implications for Customary Systems of Land Tenure**

The different tenure regimes of the various traditional areas and the lack of regulation on transnational land transactions have enabled idiosyncratic deals between investors and landowners, mostly chiefs. The contractual arrangements range from short term leases of 40 to 50 years to long term 99 year leases. Payments are either made at the beginning or on yearly basis. Increasingly, in addition to cash payments communities make a range of demands relating to provision of infrastructure and social support. This may account for the low rents accepted, for instance 1.50 US\$ per hectare per year in Northern Ghana. This contrast somewhat with Prairie's new acquisition in the Volta Region, where a figure of \$36 per hectare per year has been mentioned. This amount has not been paid yet, but the contrast requires explanation, as the ancillary promises to communities are quite similar.

In reality contracts are between the chiefs and investors and often reflect their motivations and aspirations rather than those of the community. Due to the hierarchical nature of chieftaincy, we notice reducing commitment to general community benefits from local chiefs to divisional chiefs and to paramount chiefs who are quite removed from the people. There is some flexibility in the interpretation and understanding of these contracts by chiefs and communities while investors view these with western lenses of de jure tenure. The absence of codes of conduct at the national level leads to both beneficial and non-beneficial deals premised on the success of companies and behaviour of local elites. However, codes of conduct cannot remove the contradictions of acquiring huge parcels (see also Borrás and Franco 2010) of land encompassing peoples' current and future livelihood resources and sources of identity.

Land tenure systems in Ghana are regulated by 'invisible' and dynamic traditional codes of conduct and norms often interpreted to suit emerging conditions and the power holders. The new land deals have opened up a Pandora's Box of tenure problems resulting in insecurities for groups hitherto considered secure. Tenure systems have not evolved equitably, in spite of the continuing claims about egalitarian African norms (Abudulai 2002; Alden Wily 2003; Bruce 1988). The widespread disenfranchisement of peoples is similar to what is already going on in urban areas where demand for urban land has seen the loss of land to heads of communities who sell these out without providing alternatives and benefits to farmers (Sellers 1995; Ubink 2007, Yaro 2010). The rhetoric is now 'the land belongs to the chief' and not 'the chief takes care of the land for us'. Even in systems of family land ownership, there are increasing claims of land ownership by chiefs.

Resistance to tenure changes is misinterpreted as insubordination and triggers a state of insecurity in communities due to the different allegiance streams that emerge in such situations. Land deals may lead to rising tenure insecurity and makes the concept of 'indigene' meaningless in tenure relations.

#### **4.2. The role of the state and local elites**

The state's efforts at modernising agriculture and putting to use the 'vast lands' which are seen as untapped potential is reflected in the efforts to encourage foreign investments through facilitating land deals (Ahwoi 2010). The Ghana Investment Promotion Council is the main governmental body tasked with creating an enabling environment, seeking investors and assisting in negotiations and registration. Extensive concessions have been made in the investment code to promote the attractiveness of the country as a destination of investors. Specialised commercial courts, and more recently, land courts have been established to strengthen the institutional support for foreign direct investment. A reformed Lands Commission, including the establishment of a one stop shop for land registration aims to ease the difficulties experienced by investors in acquiring land.

The Lower Volta case also unveils the state as using its compulsory acquisition powers to acquire equity in agri-business projects. This role of the state presents a conflict with its role as regulator and protector of the interests of local communities in large scale land transactions. It also drags investors into conflict situations arising from the state's long history of mismanagement of compulsory acquisitions. The catalogue of complaints about these acquisitions makes them a volatile issue in the land tenure system. The lack of, or only partial payment of compensation is a major issue. Often, lands acquired for one purpose are left unused for decades and are extensively encroached upon by private persons, or are then applied to a different purpose. Another issue has been the use of such acquisitions for the benefit largely of the urban elite who have acquired such land at highly subsidised rates for generously proportioned residential properties. Social housing has taken up only a small proportion of state acquisitions. The upshot of all these has been a de-legitimisation of the state's powers of compulsory acquisition. All over Ghana, traditional leaders are agitating for the return of such lands to their control so they can deal directly with foreign investors. This is jeopardising the concept of lands acquired in the public interest for use for schools, hospitals and other needed amenities. In the immediate case, the use of such lands for transnational deals is an added complication in the relationships between the company and local people.

The lack of specific regulatory instruments for foreign land deals leads to different configurations of the deals, with several crucial dimensions taken for granted. Poor and non-existing codes of conduct open up companies to favouritism or harassment by the state agencies who try to interpret existing general rules. Thus it is unclear in whose interests state officials such as DCEs and Regional Ministers are acting when they participate in land transactions. Also, the experiences of companies with state

agencies, as discussed in the case studies, are contradictory. Land deals are not only promoted by the national state but also by powerful local elites whose interest may not coincide with that of poor community members. The local elite have great knowledge of the local terrain and how to circumvent and appropriate national regulations to their advantage. They facilitate entry into communities, obtain cheap deals, deceive the poor, and extract rents and favours. Chieftaincy operates as a conduit for the expropriation of land from peasant cultivators to the capitalist sector (Amanor 2005).

#### **4.3. Responses of Transnational companies to local conditions and changing global trends**

Trans-national corporations are having to deal with both local conditions and global trends. In relation to local conditions, weak state institutions present both opportunities and challenges. Thus companies, while chafing at what little regulation exists have the freedom to choose the lands that best suit them and shape the terms and conditions irrespective of the needs of their hosts. They pacify the local elite with joints ventures, while navigating the hierarchies of local interests by playing off different traditional levels against each other. Local farmers and community members are linked with the fortunes of the projects through employment, out-grower schemes and corporate social responsibility strategies such as the improvement of local infrastructure and services. In all these, the companies maintain their hold on the land through a ruthless interpretation of the terms and conditions of their acquisitions, in a context where flexibility is the norm in land transactions.

The operations of transnational companies are affected in significant ways by global trends. The relationships between companies, national systems and local arenas are therefore dependent on their success or failure of companies in their quest for external funds and markets. Adverse factors such as change in policies as happened to bio fuel affect the relations between company and local communities. Responses by companies have been swift involving logical business decisions. Changes from bio fuel production to food crops to meet less volatile local food markets is an innovative strategy building on the experience of local people. But this strategy certainly competes with local producers rather than improving the technological innovations of peasants. Scaling back on promises to local communities and inability to sustain and foster good relations results when companies come under globally induced stress and failure. Though land can be given back to unemployed local farmers, the commons which might have been destroyed to make way for monoculture take several years to regenerate. Companies are also becoming multi-local by making further acquisitions with better ecological conditions for the change in crop mandates.

#### **4.4. The disappearing 'commons'**

Common resource systems have diverse and important environmental services of social and economic importance to the lives of the poor. The desire to acquire lands that are productive, virgin and close to main communication arteries leads to common property areas being acquired by investors. The loss of these 'commons' is a major source of increasing vulnerability for the poor and especially women whose dry season livelihoods in the savannahs of the Northern and Volta Regions depend on the commons. In the commons, shea nut, dawa dawa and fruit trees, bushes for fuel wood and charcoal burning provide a critical source of food and fuel which are consumed and sold to meet household expenses.

In the forested parts of Southern Ghana, it means the loss of wildlife, mushrooms, fuel-wood and uncultivated foodstuffs. At any point in time, different food resources are available. The commons are often seen by state and investors as vast lands far away from the communities, thinly populated and therefore devoid of complications. These vast resources have owners and users. When cleared for monoculture, it necessitates long distance travel into territory of neighbouring villages involving investments in transport beyond the poor's reach, the loss of entitlements and potential conflicts. Also, convenience, an important traditional attribute of livelihoods, is lost. As the commons disappear, so too do people disappear into urban and rural areas with better resources. Particularly in communities with established histories of outmigration, this is a trigger for another wave of departures which deepen the depression of the local economy.

#### **4.5. Food security**

The food security of households in Africa is complex and easily misdiagnosed by frameworks using farm outputs and income. The direct impacts of large land acquisitions on reducing farm sizes resulting in low outputs, which is then translated into food insecurity is a simplistic pathway, just as increasing wage employment due to the activities of the company. The sequencing of different gender and class based productive and reproductive activities year long is an important determinant of food security and ability to cope qualitatively. Having access to different resources close to home defines poor people's access to food. The pattern of dependency and independence at different times is important in activating social capital and patriarchal support systems. Large scale land acquisition does not sit well with these existing arrangements which have been wrongly construed to be inferior to out-grower schemes. Declining farm outputs is not the major problem in all cases. Instead, the range of environmental services lost to the tyranny of distance and tenure insecurity imposed by land acquisitions are much more threatening for food security. Incomes from newly created jobs are important for food security, but are imbued with high levels of insecurity due to the global connectedness of these companies to failing capitalist networks. In the long term, these changes erode social resilience.

## Conclusions

Comment [Y1]: Use some of these points to rework

Transnational investments are expected by both national governments and donors to bring enormous benefits to the poor and national accounting (World Bank 2010). The case studies have demonstrated variations in the land transactions of transnational corporations in different land holding systems in Ghana. However, their outcomes have been remarkably similar, whether they have involved investments in food crops, non-food crops, mining or housing - unfulfilled expectations of alternative employment, the disruption of locally fashioned livelihood systems, the loss of the commons and increasing inter-community tensions. Thus far, their benefits have been meagre, while their disadvantages have been significant from the point of view of local communities.

Assessments of their impacts have been partial, stemming largely from a conceptual misunderstanding of the livelihood strategies of small peasants. This has led to a disregard for the reality of livelihoods as multi-sourced and dependent on social, political and environmental relationships. Land deals have tended to destabilise the existing 'multiple harmonies'. Biodiversity is threatened by the monoculture practices employed by both companies and out-growers. Huge land deals create land degradation several times worse than that caused by population pressure in low input agricultural areas. The creation of biodiversity conservation areas by some companies is welcome but does not address the damage caused by land clearing practices. Restoring degraded areas should be an important focus of companies if they are to make reparations for their actions. Economically, land deals are not able to generate the levels of employment needed as alternative livelihood activities for 'all' displaced people, particularly women. Rural Africa is not a farmland but a holistic society with sustainable livelihoods premised on the functioning of all dimensions of life. Premising interventions on the farm sector destroys the viability of livelihoods especially for the poor for whom nature, the seasons and social hierarchy still serve important functions.

For the companies, returns have also been disappointing in some cases as a result of unfavourable local conditions, but more importantly, the changing global trends. The inability of projects to transform intentions into reality as a result of global trends has exposed communities to the external world with its positive and negative consequences. Impacts on the local economy and people are dependent on extra-national policies, choices, demand patterns and politics.

The State as a player in transnational land deals has compounded their negative outcomes by acts of omission and commission. Institutional failures manifested in the lack of regulation and attention to community problems has occurred alongside conflicts of interest in the role of the state and ambiguities in the role of state officials. Often, state officials are members of local elite groups made up of chiefs and their elders, community leaders, technocrats and local partners of foreign investors. The elite consensus on the privatisation of state and communal resources

leaves small farmers and rural families vulnerable to expropriation and livelihood insecurities.

Transnational land deals impacts are not merely economic affecting livelihoods but also change the traditional dynamics and arrangements of power and resource systems. Competition for inclusion in the benefit streams accentuates the class differences which are normally camouflaged by kinship systems in rural areas. Emerging differences in the ranks of communities affects the relationships and social capital needed to facilitate sustainable livelihoods. Increasing land tenure insecurity in the midst of abundant land is a paradox which cannot be understood within the context of traditional tenure systems. Agri-business as presently organised is a dubious path to agrarian transformation as it is likely to exacerbate instead of addressing the longstanding social inequalities in agricultural societies.



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