

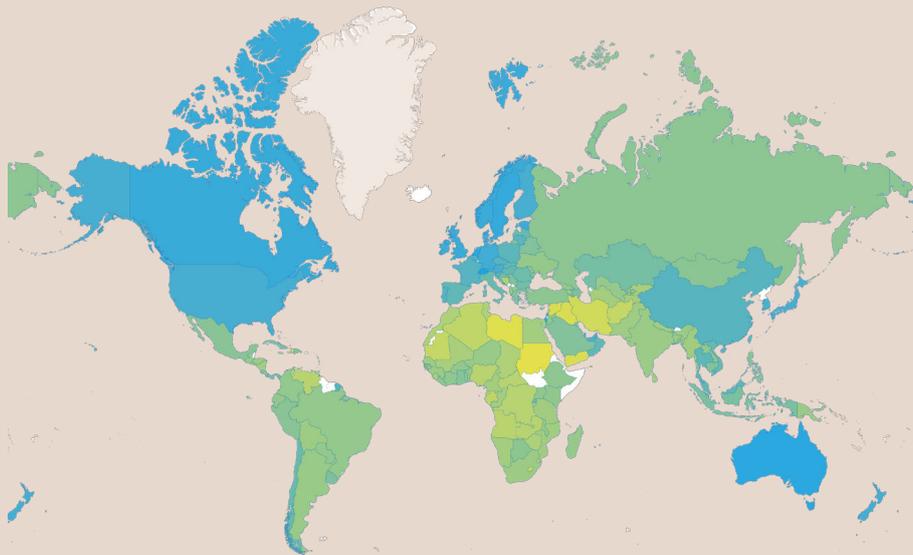
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ELITE QUALITY REPORT 2022

Agriculture in Ghana: Stunting elite formation while being challenged by extractive elite cross-border business models

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Editor's note: This contribution represents a novel approach that is unique in the EQx2022 by taking a specific micro-perspective to discuss elite agency in terms of Sustainable Value Creation and extraction for the business model of agriculture in Ghana. The voices of two young students represent the concerns of the NextGen and the piece also realizes one of the key purposes of the EQx: to connect the micro- to the macro-level.

One of the main challenges facing civilization this century is food security, a crucial part of the UN's Sustainable Development Goals (Goal 2 is zero hunger, and Goal 3 is good health and well-being) (United Nations Department of Economic and Social Affairs, 2022). But is this narrative being misused? The Green Revolution, a child of the 1950s, is lauded for having led to a rise in yields in developed countries. Between 1960 and 2000, there was impressive growth of 208% for wheat, 109% for rice, 157% for maize, 78% for potatoes, and 36% for cassava. Growing populations were fed by an agricultural model dominated by powerful chemical and industrial elites, large monocultures with standardized seeds, and larger machinery (Pingali, 2012). Furthermore, governments subsidizing the process encouraged the dependency of farmers on such new agricultural models (Gustin, 2019). Yet while farm output soared with the use of herbicides and pesticides, the season after season application of aggressive farming methods has also seen the depletion of soil life and the need for increasingly higher levels of inputs to sustain the same yields. To Patel (2013), the consequences of this extractive business model are multiple. First, the commodification of farmland as superfarms replaced family farms, marginalizing many rural stakeholders and resulting in the destruction of biodiversity. Second, and relatedly, since small farmers lack bargaining power in relation to the suppliers of needed farm inputs, they have been left with an ever-shrinking slice of the economic pie. Third, soil, the very resource that provides farm yields, has been depleted. The disintegration of ecological systems,

combined with a growing population, will make humans increasingly vulnerable to food security issues (IPES, 2016). Should the business model of the Green Revolution benefit from the advantages of free trade and consolidate itself in emerging countries?

Free trade, tomatoes, and the Green Revolution

Theoretically, countries benefit from having specializations as free trade policies grow the economic pie for everybody, promoting global competitiveness that further encourages innovation-based development. In the EQx2022, Ghana does not rank very highly for *Trade freedom* (TRF, iv.10, rank # 123) but many imports make it into the country as the *Share of imports targeted by protectionist measures* (IPM, iv.10, rank # 1) appears to confirm. The adverse effects of free trade for developing nations can be illustrated by considering tomato production and processing in Ghana, which accounts for 40% of spending on vegetables (Info Migrants, 2020).

Ghana's climate and soil are perfect for the cultivation of crops, including tomatoes, with agriculture representing the lion's share of the economy, involving over 35% of the active population (IFAD, 2019; World Bank, 2018). Integrated production systems, such as those used by tomato producers, ensure food availability, quality, and safety (Robinson & Kolavalli, 2010). Yet, at the same time, one third of the Ghanaian population suffers from an inadequate diet with poor nutritional values, while malnutrition and stunting have further worsened due to the COVID-19 pandemic (Action Aid, 2021), as is reflected in Ghana's position in the *Global Food Security Index - availability, quality and safety* (FSQ, iii.7, rank # 83). That is, Ghanaian elites have failed to create a resilient domestic agricultural sector despite having a natural competitive advantage. They have failed to implement rules for fair trade, educational programs, and investments in basic infrastructure, especially in rural zones. This is coupled with the fact that as traditional European elites lost interest in Africa, opportunities were seized by a new set of foreign elites from the EU (Italy, Spain), China, and the US, that have flooded African markets with imported tomato products sold at cut-throat prices. Incredibly, Ghana became the second largest importer of tomato products in the world, peaking at over 120,000 tons in 2015 (FAO, 2022; NABC, 2021), instead of exporting a product for which the country enjoys a competitive advantage.

Due to their affordability, foreign tomato products conquered the domestic market. Chinese businesses saturated the market with canned tomatoes on the back of tremendous economies of scale, and with the support of narratives and relationships built in part upon a shared anti-colonial history. Yet many of these imports are based on fillers such as processed soy and contain only 30% natural produce. Ultra-processed foods are of extremely low nutritional quality and are strongly correlated with chronic disease. Further, the imported flood of food has provoked an exodus of tomato farmers seeking new opportunities in Southern Europe with about 47,000 Ghanaians surviving the perilous journey to Italy in 2020 to find jobs in the heavily subsidized EU industrial tomato plantations (DW, 2020). In Southern Italy, informal seasonal workers are paid per unit of harvested crate, and commonly live in shanty towns (Wallis, 2020). Facilitated by the existence of *Criminal actors* (CRA, ii.5, Italy and Ghana rank # 89 and # 95, respectively) and the absolute lack of regard towards human rights, one can speak of an industry that essentially relies on slave labor. Ghana is currently unable to effectively respond to the foreign extractive cross-border elite business models from the EU and China.

Critical measures that would enable the formation of an inclusive Ghanaian agricultural sector include: the development of a structure of domestic primary production and distribution; the neutralization of cross-border subsidies by imposing temporary import tariffs; and incentives for higher efficiency across the domestic agricultural value chain. Eventually, such policies and the natural advantage of Ghana would combine to create greater competitiveness in the international market. Ghana should export high quality tomato paste, not import low quality derivatives. Yet domestic political elites remain reluctant to take decisions in this direction as such actions may put foreign development projects on halt. Ghana is keenly aware of what happened to Rwanda in 2018: after putting tariffs on secondhand clothing, which were mostly coming in

from the US and UK, in order to protect and promote its local textile industry, Rwanda was excluded from the US African Growth & Opportunities Act (DW, 2019).

Supporting Africa means not preempting the emergence of local Value Creation elites

What should the EU and China do? In simple terms they should stop subsidizing their own agricultural exports to Africa. Under the guise of supporting Ghana, foreign powers are dismantling the local agricultural landscape by taking away the resources that should serve as a basis for the development of local inclusive elite business models for agriculture. In the EQx, introducing protectionist measures to support this national industry would see Ghana fall in terms of its *Share of imports targets by protectionist measures* (IPM, iv.10, rank # 1). Yet the Pillar for Producer Value (iv.10) will only see Value Creation if African elites advance their traditional distributed farming ecosystems, and do not replicate the centralized models of the Green Revolution.

In the context of 'increasing global malnutrition', many experts argue that Green Revolution business models should be more widely implemented in Africa. However, this would kill the traditional agricultural model based on small farms and would be catastrophic for both the livelihoods of non-elites and the environment. The higher yields of industrial farming models may provide food security, but this is only true in the initial decades because increased chemical inputs cannot compensate for long-term soil depletion and biodiversity losses. Since multinational extractive business models are responsible for this situation, a debate is needed on cross-border Elite Quality, to dissuade domestic elites from adopting or become accomplices to foreign elite business models and writing a new chapter of colonial history. In essence, the emergence of Sustainable Value Creation elite business models must not be hindered in Africa.

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