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# Community Economic Development Movements in Rural Ghana

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Using Agricultural Technologies to Alleviate  
Poverty

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## I. INTRODUCTION

Community development programs have become a popular and effective approach to alleviating poverty throughout the world. However, not all CD movements are created equal: implementations of such programs need to take into account each country's (or for that matter, each region's) cultural sensitivities and economic realities in order to be effective. This holds true for Ghana, an African country on the coast of the Atlantic Ocean, with a population of about 24 million people. The first sub-Saharan country to gain independence from colonial powers, Ghana is religiously, culturally, politically, and economically diverse. Like many African countries, though, Ghana is vastly impoverished; in 2005, the absolute poverty rate, or those living at or below a dollar a day, was 33.4 percent,<sup>1</sup> with more than half of the poor people living in rural areas, many of whom are farmers. Therefore, although causes of Ghanaian poverty include problems such as erroneous economic policies, cheap food imports, lack of infrastructure, lack of capital, migration to large cities within Ghana and emigration to developed countries, and the "unprotected" informal sector, I will focus on the causes and possible solutions of acute rural poverty.

Poverty is deepest among food crop farmers, who are mainly traditional small-scale producers.<sup>2</sup> About sixty percent of small-scale farmers are poor. According to Ghana's poverty reduction strategy, causes of poverty affecting so many rural small-scale farmers include low productivity and poorly functioning markets for agricultural outputs. Rural farmers use traditional methods and rudimentary tools, and lack the skills and inputs, such as fertilizer and improved seeds that would increase yields. Many traditional farming

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<sup>1</sup> "Ghana's Growth," <http://web.worldbank.org>.

<sup>2</sup> "Rural Poverty in Ghana," <http://www.ruralpovertyportal.org>.

techniques erode the soil and lead to shorter fallow periods, posing a long-term threat to small-scale farmer livelihoods. Therefore, in order to address the critical lack of agricultural technology that would both increase domestic food production and decrease poverty, rural communities may choose to implement community development initiatives, in which farmers may aggregate time and money to invest in advanced capital and new techniques that would increase crop yields.

The first section of this paper outlines Ghana's rich economic, political, and social history, paying special attention to social capital, an informal institution that largely determines the effectiveness of CD implementation. The second section outlines the theory behind community economic development movements, while the third section analyzes existing Ghanaian community development movements. The fourth section of the paper proposes a future trajectory in which rural Ghanaian farmers may make use of community development movements.

## **II. A SNAPSHOT OF GHANA: ECONOMIC AND POLITICAL HISTORY, SOCIAL CAPITAL**

### **Economic and Political History**

Upon decolonization in 1957, Ghana was the number one producer of cocoa beans in the world, and was a nation rich in natural resources, including gold, diamonds, manganese, and bauxite.<sup>3</sup> Additionally, throughout the twentieth century, rural economic development boasted a promising trajectory. The colonial government implemented a rough equivalent of a CD movement that combined both local incentives and national

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<sup>3</sup> Price (1984): 164.

support. The national agenda included sustaining projects such as basic adult education, women's work, and self-help projects. The government rightly recognized the importance of tailoring programs to individual villages, and so the CD department was arranged in a pyramidal structure,<sup>4</sup> with much autonomy at the local level. At the base of the pyramid, a mass education officer would be put in charge of a particular region, aided by assistant officers, who interacted directly with locals. These assistant officers facilitated the specification of projects to different villages' needs. At the top of the pyramid was the national CD director of operations, centered in Accra, who reported to the minister. This administrative method proved highly effective, as reflected in successful program outcomes.

Unfortunately, these bright economic prospects were not realized; twenty years after independence, food production lagged behind population increases, cocoa production was halved, and both timber and mining production were performing poorly.<sup>5</sup> This economic stagnation was reflected in the health, education, and transportation sectors, all of which were performing at below pre-independence levels. Reasons for Ghanaian economic stagnation directly after independence can be attributed to multiple factors. Neocolonialist and general macroeconomic pressures on commerce, coupled with many faulty exclusionary governmental policies, and the absence of structural change, account for much of Ghana's economic decline, which is just now beginning to subside. I will explain these three factors in turn.

Since Ghana is a primarily agricultural economy and produces only a few commodities, national income is highly dependent on export earnings, especially cocoa,

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<sup>4</sup> Ameyaw and Abloh (1999): 285.

<sup>5</sup> Price (1984): 165.

which currently accounts for about 60% of GDP. Therefore, the significant declines in the price of cocoa in the years 1965, 1971, and 1981, both in absolute terms and relative to prices required to pay for imported goods, have contributed to a declining economy.<sup>6</sup> Trade agreements on net have had a detrimental effect on the Ghanaian economy. For a time, foreign aid came with stipulations that bound Ghana into trade agreements with the United States and other fully industrialized countries, forbidding tariffs on cheap foodstuffs, such as rice and grains, which put pressures on domestic farmers to lower prices in order to compete. Other agreements made compulsory accepting predetermined amounts of imports from abroad at predetermined prices, as a stipulation to receive aid.<sup>7</sup> Small farmers could not compete with these artificially low prices, and so suffered acutely.

Political turmoil in Ghana facilitated the implementation of conflicting and ill-conceived economic policies, contributing to the decline of the national economy. Shortly after independence in 1957, Ghana's predominantly agricultural economy became socialized under Kwame Nkrumah. Nkrumah, the nation's emerging political figure after decolonization, was elected democratically as president but maintained power through force. His emphasis on industrial growth weakened cocoa production, and the nationalization of large commercial firms undermined the economy that previously depended on individual small-scale farmers. Additionally, his exclusionary stances on foreign investment decreased the value of the Ghanaian cedi and led to rampant inflation.<sup>8</sup> This economic stagnation was one factor that contributed to Nkrumah's fall in 1966. Thereafter, a tumultuous series of five different governments contributed to the most

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<sup>6</sup> Price (1984): 170.

<sup>7</sup> Milner (2005): 836.

<sup>8</sup> Apter (2006): 18.

significant decline in GDP growth per worker in the 1970s and early 1980s,<sup>9</sup> in which total factor productivity dipped dramatically in all sectors. To make matters worse, the harvest year of 1983 saw the worst drought in Ghanaian history, which led to a mass exodus of the rural workforce to urban areas. Agricultural productivity decreased and a labor surplus in urban areas increased poverty there as the existing poverty in the countryside worsened.

In the mid 1980s, under the leadership of Ft. Lt. Jerry Rawlings, who gained power through a violent coup, Ghana experienced a decentralization movement in reaction to the socialist policies implemented in the preceding decades. The National Development Planning Commission (NDPC) organized the systematic decentralization, in which districts gained a degree of autonomy from the network of national government ministries and other legislative bodies that had thereto attempted to control the political and economic climate of rural Africa.<sup>10</sup> Under these policies, districts assumed relative political and economic independence and had greater opportunities for individualized development, drawing on their specific needs and strengths. Though decentralization has been proven essential in putting Ghana's economy back on track, positive results had been slow to actualize, with significant economic improvement happening only within the past decade.

Fortunately, the political turmoil in Ghana has largely subsided in the past ten years. In December 2000, Ghana saw its first democratic presidential change of power, when John A. Kufuor of the New Patriotic Party (NPP) defeated the NDC's John Atta Mills, who was Rawlings's successor.<sup>11</sup> Kufuor was re-elected in 2004, but there was a peaceful party change in 2008, when Atta Mills beat NPP Nana Akufo Addo. Atta Mill's policies include

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<sup>9</sup> Aryeetey and Fosu (2000): 10.

<sup>10</sup> Owusu (2004): 167.

<sup>11</sup> "Post-Nkrumah Politics." <http://www.state.gov/r/pa/ei/bgn/2860.htm>.

using the free market in order to reduce poverty and strengthen workers' rights, and he seems to enjoy broad support from Ghanaians. This stabilized political climate can only aid the successful implementation of a nation-wide community economic development movement.

### **Social Capital**

"Social capital," a term adopted in the 1990s by development economists, is integral in William Simon's analysis of the community development movement.<sup>12</sup> First popularized by Robert Putnam in a study lauding de Tocqueville's claim about the democratic importance of associational life, it is seen throughout Ghanaian development literature, and plays a fundamental role in implementing an effective CD movement in rural Ghana. The implications of an effective social capital foundation are far-reaching: communities exercising a high degree of social capital are in a "stronger position to confront poverty and vulnerability, resolve disputes, and take advantage of new opportunities."<sup>13</sup> Indeed, social capital in the form of entrepreneurial networks is found to be a determinant of Ghanaian manufacturing performance.<sup>14</sup>

But what exactly is social capital? Within the community development context, social capital may be defined as the norms and networks that enable people to act collectively.<sup>15</sup> Important features of social capital include trust and reciprocity developed within the community network. These hold true for Ghana, and require deeper analysis.

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<sup>12</sup>Simon (2001): 49.

<sup>13</sup> Woolcock and Narayan (2000): 226.

<sup>14</sup> Barr (1998): abstract.

<sup>15</sup> Woolcock and Narayan (2000): 226.

## *Trust*

The definition of “trust,” or *gyedi* in Twi, differs slightly from the English definition, in that *gyedi* is associated with a deeper understanding of an individual’s ability, belief, and faith. This is consistent with the economic weight trust carries in Ghana, something that is rarely replicated in Western competitive economic markets. The economic mechanism of trust is so effective at least partially because an individual is held accountable for his/her family and even his/her ancestors and family legacy.

Trust as an economic and cultural tenet can either be calculative or intuitive. It is calculative in that an individual agent’s actions implicitly depend on the probability that other agents act in an expected way. However, it is also intuitive, in that trust is intrinsic in many cultures emphasizing familial and community relations, as is true in Ghana, and so has an incalculable value. Finally, norms include traditional forms of morality, such as those influenced by religion or secular culture, and reciprocity, which is similar to trust, but is more systematic.<sup>16</sup>

The purpose of social capital in economic transactions in rural agricultural markets can be explained by the large uncertainties and vastly imperfect information. Agents rely on the mechanism of trust to minimize risk and maximize development of personal relationships, at the expense of profit maximization.<sup>17</sup> This is perfectly rational behavior, and collective trust acts in place of more formalized institutions, such as recognized contracts and threats of litigation, as found in the United States. Analogous to the threat of civil suits in the Western world is merely a Ghanaian individual’s (and his family’s) reputation, which is highly dependent on his honor in economic activity. As Fergus Lyon

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<sup>16</sup> Lyons (2000): 664.

<sup>17</sup> Lyons (2000): 664.



articulates, “Cooperative and trusting relationships can be conceptualized as contracts that rely to different extents on information on reputations, sanctions and moral norms.”<sup>18</sup>

### *Reciprocity*

Reciprocity, as applied within the context of Ghanaian commerce, is a mechanism of accountability that relies on trust and accountability. As La Ferrara articulates, reciprocity is a nonmarket institution that has “been the object of growing attention [of development economists] in coping with market failures.”<sup>19</sup> In rural Ghana, reciprocity usually consists of sharing non-storable production surplus, or in consumption credit transactions.<sup>20</sup> The mechanism of reciprocity, though seemingly altruistic, relies on the expectation that the supporter will become a recipient in the future.

This assumption, in turn, relies heavily on tightly-knit networks that provide inter-generational support, and allow obligation to hold through generations of a kin group. A Twi proverb nicely sums up the timelessness of reciprocal transactions: *ahwe-wo-da-bi ban a wahwe no*, or “One shows benevolence to the child of his benefactor.”<sup>21</sup> This strict accountability, in which an individual’s family’s reputation is at stake, gives each individual incentive to act honorably and altruistically, and allows communities to interact with long-term goals in mind. In terms of a community development movement, reciprocity is integral in implementing a plan in which everyone must contribute to the advancement of all.

### *Tightly-knit Networks*

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<sup>18</sup> Lyons (2000): 665.

<sup>19</sup> La Ferrara (2003): 1730.

<sup>20</sup> La Ferrara (2003): 1731.

<sup>21</sup> La Ferrara (2003): 1730.

Traders and customers do not usually describe their interactions in terms of “reciprocity” or “social capital”; these mechanisms are implicitly at work within a framework of networks that may be based on religion, ethnicity, character, or inclusion in matrilineal kin groups.

As well as providing religious familiarity, churches also constitute a societal subset in which parishioners become accountable, and face-to-face interactions are inevitable. “Churches play a role in allowing people to establish contracts with others whom they do not know well as people who attend the same church may find it difficult to cheat each other. It was also found that some people will start giving goods on credit as the other person is of the same denomination.”<sup>22</sup>

This comfort in “sameness” extends to a nationalistic preference as well: “farmers from ethnic groups in the north of Ghana often referred to trusting someone because he is ‘my countryman.’”<sup>23</sup> This feeling of ethnic or nationalistic closeness is a function of intra-networking, relying on the assumption that countrymen will probably foster the same important cultural and moral norms and therefore engender the same expectations of trust and reciprocity.

Many economic agents view their interactions with trading partners as an assessment of one’s character, which is contingent upon status. *Saban*, or “character” in Twi, relies on the cultural assumptions of social capital, including reciprocity and trust, and is important in establishing trading relationships. Small-scale tomato farmers who took the survey reported that “I have studied her character; I know what is in her head; I have

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<sup>22</sup> Lyons (2000): 673.

<sup>23</sup> Lyons (2000): 673.

read his face; I can tell by their speech and actions; I know how she talks.”<sup>24</sup> These judgments of character are often contingent on ethnicity and other connections the farmers share with customers, which highlight the importance of creating and maintaining high levels of social capital.

Relationships based on character are readily acknowledged, and accountability toward one’s trading partners occurs at a very intimate level. Participation in family activities, visits to each other’s homes, and even naming children after trading partners are all customary. Many place special significance on ceremonial rites, including weddings and funerals: “Attendance at the funerals of a customer’s family member is considered important and the traders gave funeral attendance as the main reason for having market associations. Through attending funerals, additional links are created and obligations reinforced. A large number of guests at a funeral is a sign of status and so traders will ensure they attend and make a contribution to each funeral.”<sup>25</sup> This dependence on character relies on reciprocity, extending from economic transaction to social obligations, which reinforces accountability.

Within the context of community development, matrilineal relations in Ghana provide small villages with networks in which individuals are pressured strictly to adhere to the cultural norms of reciprocity and trust, resulting in an effective system of social capital. The principal ethnicities in Ghana, including the Akan and Asante, practice matrilineal descent mechanisms.<sup>26</sup> In contrast with the patrilineal societies with which

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<sup>24</sup> Lyons (2000): 672.

<sup>25</sup> Lyons (2000): 673.

<sup>26</sup> La Ferrara (2006): 4.

much of the West is familiar, children in matrilineal societies are part of their mother's kin group and only female children can pass kin identity to their offspring.

Matrilineal societies also have distinct effects on family and gender relations in Ghana. For example, the relationship between a father and his children is somewhat weaker in matrilineal societies. Some of the responsibilities generally assigned to fathers are instead taken on by the maternal uncle. It is also generally believed that the strength of the matrikin gives women more bargaining power vis-à-vis her husband,<sup>27</sup> although historically, women have been disenfranchised in relation to their male counterparts.

With the inception of colonialism and the acceptance of a Westernized legal system, though, the power of the matrikin has weakened. Now, Akan men can make either "donations" or written wills that leave part of their property to be inherited by their children. This tension between legal property rights, as seen by the Ghanaian court system, and allocation of property by lineage, emphasizes the larger tension between traditional cultural norms and the relatively new legal systems that can lead to obstacles in the community development movement.

### **III. AN OVERVIEW OF COMMUNITY ECONOMIC DEVELOPMENT THEORY**

A community economic development movement may be best described as a grassroots phenomenon in which residents of a community respond to dissatisfaction with market or other institutional failures; in economic terms, CED movements address economically and socially inoptimal equilibria. Usually, residents of a community attempt to solve their own problems by aligning incentives, dispersing information, and inciting

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<sup>27</sup> La Ferrara (2006): 8.

community-wide coordination.<sup>28</sup> The framework for such a movement is the same at both domestic and international levels. Social initiatives are linked to economic ones through the creation of innovative, participatory, community-based organizations that are accessible, empowering residents, generating income and local job opportunities, and financing community infrastructure and social services.<sup>29</sup> Community development movements promote solidarity, foster self-management, and improve life chances and well-being of residents. Community development corporations (CDCs) may mediate these movements, and may include social enterprises, profit-seeking ventures, or co-operatives that are member owned and operated.<sup>30</sup>

In the case of Ghana, people in rural communities have long responded to their “inoptimal equilibria” in various ways. With the disastrous failure of cocoa production decades ago, rural Ghanaians responded by either migrating to larger cities in search of employment, and usually ending up in similar impoverished circumstances; or joining the “informal” sector. Though the informal sector provides virtually no income security, many Ghanaians have found ways to generate income through creatively addressing specific need in the community’s market, and address it oneself. Such individualized endeavors demonstrate that, out of necessity, many individuals have an intrinsic entrepreneurial talent and the potential to create their own opportunities through the avenues potentially made available by the community development movement.<sup>31</sup> However, a characteristic that differentiates Ghanaian community economic development movements from industrialized countries’ development movements is the lack of CDCs to mediate

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<sup>28</sup> Simon (2001): 42-3.

<sup>29</sup> Campfens (1999): 5.

<sup>30</sup> Campfens (1999): 6.

<sup>31</sup> Ameyaw and Ablah (1999): 321.

community development. Though NGOs and domestic non-profit organizations have made a positive impact on alleviating poverty in rural Ghana, as of now, there exists no corporation aimed to principally aid in community economic development. Therefore, a viable alternative is the co-operative structure, in which individuals have joint and pooled incentives to participate and benefit from the CED movement. This is especially fitting due to Ghana's high level of social capital that facilitates community participation and accountability.

#### **IV. ANALYSIS OF GHANAIAN COMMUNITY DEVELOPMENT MOVEMENTS**

The first seemingly "grassroots" community development movements came after the coup d'état in the 1970s. "Operation Feed Yourself" was implemented by the National Redemption Council. Concerned with growing food imports placing a burden on economy, OFY was a populist program of mass mobilization to raise domestic food production.

Similar donor-supported programs, including the Upper Regional Agricultural Development Program, and the Northern Regional Agricultural Development Program, were also a product of this post-coup, newly privatized Ghana, the goals of which were to increase both domestic food production and rural incomes. However, much of the aid was funneled to rich farmers, and when credit was made available to rural farmers, much of the machinery and other available inputs were too large-scale and expensive.<sup>32</sup> Additionally, the NRC thereafter implemented a type of contract farming through what is known as *encadrement*, which bound peasants to working on large capitalists' farms for little

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<sup>32</sup> Amanor (1999): 28.

compensation,<sup>33</sup> which did little to alleviate poverty, and exacerbated inequalities between the upper-class and peasants.

After the fall of the NRC, the primary goal of NDPC movement under Rawlings was to enhance living standards as a direct response to the problems of the preceding decades. Focused in rural areas, the government-sponsored CD movement aimed to reduce poverty through the promotion of agriculture, stimulation of non-farm employment, enhanced accessibility to social services, and reduced migration to cities and larger towns.<sup>34</sup> In order for these goals to become plausible, rural agriculture needed to become more lucrative, so that small farmers' income may rise. Therefore, access to markets was critical, because farmers would be induced to greater and more efficient production if they had the opportunity to sell their surplus for profit. Infrastructure allowing markets in rural districts was integral to enabling small rural farmers, as part of the larger decentralization policy. Additionally, district markets should be able to provide other critical functions of town life as well, including education, health services, and water sanitation.

This system of rural and urban linkages formed a vertically integrated commerce structure, in which it was thought that as rural districts become more prosperous, they would consume goods produced and/or manufactured in the large towns, such as Accra or Kumasi, creating a symbiotic relationship that would induce growth in both regions. Additionally, it was hoped that the smaller villages would absorb some of the surplus labor that plagued the towns, and so more equally distribute the population across rural and urban communities.<sup>35</sup>

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<sup>33</sup> Amanor (1999): 75.

<sup>34</sup> Price (1984): 171.

<sup>35</sup> Price (1984): 173.

Today, residuals of this vertically integrated commercial system are still intact; the rural agricultural sector is still highly sensitive to fluctuations in the urban industrial economy and the Ghanaian and international macroeconomy at large. Therefore, in order to economically develop rural areas, this dependency must be minimized, so that economic autonomy at the level of individual rural villages can be established. Fortunately, community development may offer a solution to many rural villages' economic problems. If programs are fostered with existing cultural tenets of social capital, under which reciprocity and trust are included, CD movements can be very effective in alleviating rural poverty.

Many projects were implemented in the 1970s and 1980s with international involvement. For example, the World Bank partnered with the NRC government in 1971 to develop the Cocoa Rehabilitation Project, which aimed to increase the declining cocoa harvest by planting new hybrid cocoa, as well as using modern fertilizers and pesticides. However, contingent upon agreeing to participate, farmers had to give up control of their land to project management. Because of this perceived external authoritative dominance, few farmers participated, and of those who did, many were absentee farmers, and there was not enough labor available to see the project through.

The current CD structure is less institutionalized, as a result of the 1981 election of the Provisional National Defense Council Party. Community development projects were placed under the discretion of the Ministry of Local Government in order to ensure direct local participation and benefits. Nonetheless, most of the programs implemented under past regimes were still operational in some form during this time. Additionally, the 1980s saw increasing activity in domestic voluntary organizations and international NGOs in



development projects. Among these included the Ghana Rural Reconstruction Movement, which sponsored self-help projects, as well as extension services to farmers.

Individualized regional community development projects are now the norm throughout Ghana. Particularly successful projects have included projects for palm oil and gari (used in tapioca) processing, pottery and bead making, soap making, and fish smoking.<sup>36</sup> These programs, called IGPs, or “income generating projects,” are special in that they target women as agents of change in their respective communities. Though a byproduct of these efforts is increased female economic autonomy, the primary goal of these projects is to increase investments in health and education. Data show that when women earn more, they spend their increase in earnings on these investments for their families, which overall help to alleviate poverty.

In the scope of community development of agricultural technologies, this focus on female IGPs, while ideal, is not plausible. Though women are actively engaged in the farming, processing, or selling of almost all crops in Ghana, relying exclusively on one gender in the implementation process would be detrimental to the overall effectiveness of the plan. Ideally, the pressures of communal ownership would allocate the revenue that comes out of these community development programs to important health and educational investments. Community leaders may make revenue allotment a condition of the implementation.

Even if income generating projects prove to be successful in the agricultural sector, in order for a community development movement to be largely successful, the Ghanaian government must become involved. Recently, the Ghanaian government has emphasized

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<sup>36</sup> Poku (1999): 293-4.

the importance of road and irrigation system construction, capital mechanization, and access to improved livestock and crop production.<sup>37</sup> Working with communities to develop and implement these projects, in accordance with their specific needs, will increase the success of any community development movement.

## **V. A POSSIBLE FUTURE TRAJECTORY FOR GHANAIAN COMMUNITY ECONOMIC DEVELOPMENT MOVEMENTS**

### *Importance of urban-rural linkages*

In order for agricultural community development movements to be successful, villages must have the infrastructure to process the crops they produce and have access to transportation to sell the goods. The lack of processing and district market access exacerbates the low agricultural production that is so prevalent in small villages. Farmers are constrained in their attempts to increase production because activity is small-scale with a very low capital base.<sup>38</sup> To make matters worse, farmers face difficulties when trying to sell even their small yields due to lack of market access. Therefore, aggregating small farmers' funds and investing in infrastructure may help alleviate this problem. Though farmers could form an association in which local leaders would allocate funds to where they are most needed, such as processing equipment or other essential capital inputs, the provision of public goods, such as roads, is usually most effectively allocated by the state. In its Annual Progress Report to the IMF, the Ghanaian government stressed the importance of infrastructure development, including road construction in rural areas, and

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<sup>37</sup> *Ghana: Poverty Reduction Strategy Paper Annual Progress Report* (2004): 6.

<sup>38</sup> Owusu (2004): 180.

facilities to reduce post-harvest losses, such as drying floors, cooling plants, crop processors, and other storage facilities.<sup>39</sup>

If this is done successfully, selling marketable goods in larger towns (or urban settings) will provide multiple benefits to rural villagers.<sup>40</sup> First, access to markets will promote local agriculture. Secondly, selling processed goods will open employment opportunities in processing and selling the goods, which will be filled predominately by women, who can generate extra income, and have a sense of autonomy. Lastly, habitually going to larger towns to sell products will enhance the rural villagers' utilization of urban services, such as hospitals, banks, and telecommunications, which may provide a feedback mechanism and create more successful community development movements.

In order to overcome the infrastructure constraints faced by many villages, a third party, namely the Ghanaian government, has a crucial role to play in investing in public goods needed in developing infrastructure, a prerequisite to market interaction.

### *Community Management*

Community management may offer a solution to the lack of existing infrastructure within rural villages that cannot be provided by the government. The term "community management," which falls under the larger concept of community development, refers to a bottom-up development approach where the community members have a say in their own development.<sup>41</sup> In the case of rural Ghana, the community management model could be extremely effective. Characteristics of a successful model include that communities are

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<sup>39</sup> *Ghana: Poverty Reduction Strategy Paper Annual Progress Report (2004)*: 6.

<sup>40</sup> Owusu (2004): 185.

<sup>41</sup> Doe and Kahn (2004): 362.

rural with a small population and rudimentary occupation, such as farming.<sup>42</sup> Communities should participate in decision-making, planning, and service establishment, which are conducive to a village structure in which is in many ways already communal, as are many rural villages in Ghana. Lastly, there needs to be a strong presence of social pressures, which is expressed in ownership of the development project. As discussed above, Ghanaian social capital is extremely conducive to this ethnic and communal social cohesion, in which traditional behaviors are strictly enforced. With this analysis, individual rural villages in Ghana seem to be particularly good candidates for the implementation of such a community management program.

Successful community management in agricultural community development may lie in the aggregation and cooperation of groups of small-scale farmers. "By working together farmers can realize the scale economies of bulk acquisition and enter into more stable relationships with suppliers or traders. By pooling resources to invest in transport or processing operations they can become more active participants in the marketing systems, adding value to their production."<sup>43</sup> In order to successfully organize such a type of successful farmer cooperation, external planning agents must acknowledge the underlying patterns of social and economic organization or commitment to cooperative action that exist in the communities in question. Included in these considerations must be smallholders' access to financial resources, as well as management experience, which is most likely limited. The lack of these two elements will impede the process of farmer cooperation in any agricultural community development movement, and these issues need to be addressed before moving forward.

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<sup>42</sup> Doe and Kahn (2004): 365.

<sup>43</sup> Stringfellow et. al(1997): 2.

Cooperative efforts can be especially effective in community development implementation because they can aggregate risk more readily than any individual. To gain access to credit markets, often many small farmers may need to pool collateral in order to receive loans.<sup>44</sup> However, in order for this group risk aggregation to work, they must be self-selecting, and they should preferably be producing a high value commodity, such as cocoa, which was exactly what happened in 1988. Barclays Bank of Ghana began lending to farmers in the network operating under the Produce Buying Company, offering loans to farmer groups ranging from 10 to 15 members. All members were held jointly responsible for the repayment, and if one individual did not repay the loan, the entire group would be ineligible for the loan the following year. This risk-aggregating credit access was a success: in 1995-6, had almost 3,500 borrowers, with a 99.6% repayment rate.<sup>45</sup> Group access to credit, when enforced by the accountability tenet of social capital, may be an extremely effective tool when rural villages decide to invest in communal capital.

#### *Dialogical/participatory action processes*

In order to effectively implement a community development plan in Ghana, experts must directly interact with communities in order to tailor plans to meet villages' individualized needs by addressing specific problems. These experts may include research teams at the University of Ghana, which has an agricultural research center in Kpong in the Volta Region specializing in agricultural technologies. The Ministry of Agriculture established the research center in 1954, and their mission includes investigating the mechanization requirements of soils, conducting studies on crop stability, and investigating

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<sup>44</sup> Stringfellow et. al(1997): 4.

<sup>45</sup> Stringfellow et. al (1997): 6.

crop requirements and suitable irrigation systems.<sup>46</sup> By learning new and effective farming and processing methods, rural farmers may preserve the integrity of their soil and well as increase crop yields. Using this specialized knowledge of Ghanaian soils and crops could be integral in implementing individualized community development plans across the country.

A closely related interactive method, “participatory action research,” has been especially effective in Ghana,<sup>47</sup> involving small farmers directly in the process of data collection, thereby increasing their understanding of the research and its usefulness in assessing how to best address their needs. Minimal outside research is conducted, and the emphasis is placed on individuals gathering their own data to submit to the governing NGO or community organization. Characteristic in a general dialogical process and in participatory action research is community participation and ownership in the

implementation of the community economic development plan. The preservation of individual autonomy is essential in any community economic development movement, but especially so in Ghana, when farmers have been manipulated by past government policies and external organizations for so long. Giving Ghanaians a voice in the developmental trajectory of their own village will make any CED plan much more broadly accepted and successful.

## **VI. CONCLUSION**

The past few years have shown Ghana to be on the road to development and decreased poverty. However, the agricultural sector, which contributed 34 percent to GDP

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<sup>46</sup> “Agricultural Research Center, Kpong.” <http://www.ug.edu.gh/>.

<sup>47</sup> Ameyaw and Ablah (1999): 309.

in 2007,<sup>48</sup> remains underdeveloped. Inefficient farming methods and rudimentary farming implements constrain small-scale farmers and produce small yields, and lack of access to district markets makes selling even the little farmers do produce difficult. Of additional concern is the growing Ghanaian population that requires ever-greater amounts of food, and soil erosion and shorter fallow periods that threaten to exacerbate rural poverty in the future. To address these problems, a comprehensive, community-based economic development movement must be implemented at the local level to insure effective specialized solutions. Though experts, such as those from the University of Ghana's agricultural programs, as well as international organizations such as the World Bank and the IMF, will play an important role, the main actors in the CED movement must be community residents themselves. While the Ghanaian government must provide critical public goods, such as roads and basic infrastructure, to rural communities, a co-operative community development structure may entail group access to credit markets and communal ownership of essential farming capital, such as tractors, fertilizers, and seeds. With the present abundance of social capital, rural villages are equipped with the tools necessary to implement a successful community economic development program that has the potential to alleviate widespread poverty.

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<sup>48</sup> "Rural Poverty in Ghana," <http://www.ruralpovertyportal.org>.

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