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AID, EMPLOYMENT & POVERTY REDUCTION in Ghana



REPORT OF A CASE STUDY OF THE FOOD CROP AND POULTRY SECTORS



The Mission of SEND is to promote good governance and the equality of women and men in Ghana

AID, EMPLOYMENT & POVERTY REDUCTION in Ghana

Report of a Case Study of the Food Crop and Poultry Sectors

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		<p>2. Please mention other benefits your employees are currently enjoying.</p> <p>3. If the workers are not enjoying these benefits, why?</p> <p>4. Were your employees enjoying these benefits previously?</p> <p>5. If yes, why did you stop the benefits?</p>
<p>3. Membership of associations and action taken to protect the poultry industry</p>	<ul style="list-style-type: none"> • Unionisation • Farmers' association • Action 	<p>1. Do you belong to any poultry farmers association?</p> <p>2. What action (including legal actions) has the association taken to protect the poultry industry?</p> <p>3. To what extent were these actions successful?</p> <p>4. Do your workers belong to any union?</p> <p>5. What actions has the union taken to protect the poultry industry?</p> <p>6. Are you satisfied with these actions?</p> <p>7. Are the union/associations planning further actions? What actions are they planning?</p>
<p>4. Future perspective</p>	<p>The future</p>	<p>1. What measures would you recommend for the protection of jobs and job security in the poultry industry in Ghana?</p> <p>2. What should be the role of Government to ensure that the poultry industry in Ghana survives?</p>
	<p>Policies</p>	<p>1. Are you aware of anything the present government has done to support the poultry industry? What is it?</p> <p>2. Are you aware of anything this present government has done to undermine the poultry industry? What is it?</p> <p>3. How do you compare this government to previous governments in terms of support for the poultry industry?</p> <p>4. What actions do you recommend to government to support the poultry industry in Ghana?</p>
<p>5. Other issues</p>		<p>1. Do you have any other comment?</p>

Conclusion

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Part 1

Preface

The Ghana Aid Effectiveness Forum commissioned this research to provide the basis for trade unions to contribute to international policy debate on aid effectiveness. It focuses on the relationship between aid, economic growth and employment generation. Ghana's remarkable growth in recent times may have been possible partly due to increased aid flows. Nevertheless, the distribution of the socio-economic benefits accruing from growth has been inequitable across different social and geographic spectrums. This is because internal economic contraptions that create employment do not drive Ghana's growth, which is propelled partly by aid flows. Admittedly, aid may engender growth. However, the outcome of that growth does not necessarily generate employment opportunities. This is one fundamental way of questioning the assertion that aid brings about poverty reduction.

Interestingly, however, less or no attention is often paid to the nexus between aid, growth and employment creation. A growth agenda that does not culminate into creating jobs will not bring about improvements in the living standards of the poor. Hence, increased aid and efforts aimed at making it more effective will not also necessarily result in poverty reduction.

Employing desktop and qualitative analysis, this research interrogates the impact of aid on job creation in Ghana. The analysis focuses on the impact of tied aid. Specifically, the paper explores the impact of aid conditionalities in terms of the quality and quantity of jobs in the poultry and food crop sectors in Ghana. Critical issues explored in the study include; job creation and/or destruction due to aid and its associated conditionalities; impact of aid on the quality of employment; and an assessment of the impact of aid on standard of living and general development of communities and Ghana as a whole. Case studies in the study test two hypotheses. First, some forms of aid are pro-employment and therefore pro-poor. Secondly, some forms of aid are not pro-employment and therefore cannot be pro-poor.

An assessment of how successful aid programme contributes to the creation of employment and enhancement of living standards is critical. However, what is even more critical is that such aid programmes could be counter-productive if, for instance, it involves the importation of food, which may have negative effects on production and marketability of domestic agricultural produce as the case may have been with the intervention of the Adventist Development Relief Agency. Thus, critical analysis of not only the quantum of aid but also form and quality of it will shape the discourse on aid

		<ol style="list-style-type: none"> 4. What factors explain the trend (i.e., increase or decrease) in employment in your enterprise? 5. To be specific, do you think the trend in employment (i.e., rise or fall in jobs in the poultry industry) can be attributed to the trade liberalization policies? 6. Please mention other factors that can affect employment in the poultry industry apart from the trade liberalisation policies. 7. Would you say your workers have more or less secured jobs now compared to previous periods? Please, explain.
	Impact on Incomes	<ol style="list-style-type: none"> 1. How has the free trade policies affected your income as an entrepreneur? 2. How has the importation of poultry products affected the salaries of your workers? 3. In terms of US dollars, <ul style="list-style-type: none"> · what was the lowest salary in your enterprise in 1990?(in terms of US\$) · What was the highest salary in your enterprise in 1990? · What is the lowest salary at the end of 2007? · What is the highest salary at the end of 2007? 4. In your opinion are the salaries in the enterprise falling or increasing in real terms (i.e., the amount of goods and services your workers can get from their pay)? 5. Generally, what factors affect the level of salaries in your enterprise? 6. How do you compare your profit tax levels now with previous period - increased or decreased?
	Benefits	<p>Do your workers enjoy the following benefits:</p> <ul style="list-style-type: none"> · Free or subsidized medical care? · SSNIT Contribution? · Free or subsidized transport? · Free or subsidized housing? · Free or subsidized education for workers children? · Low interest loans for your workers

APPENDIX C: Interview Guide for Case Study in the Poultry Sector

Topic	Information	Practical Questions
1. Background Information (Conditionalities and their impact on poultry industries)	Poultry production Importation of poultry products	<p><i>In the late 1980s and the 1990s, under the structural adjustment programmes and similar policies, Government of Ghana implemented trade liberalization policies in the form of lower tariffs and has opened its markets to all kinds of imported commodities including poultry products. These policies were usually conditionalities attached to aid given to Ghana by multilateral institutions –IMF, World Bank, WTO or by bilateral donors.</i></p> <ol style="list-style-type: none"> 1. Are you aware of any of such aid conditionalities that affect the poultry industry either negatively or positively? 2. Since when have you experienced this? (In which year?) 3. How have the trade liberalization policies affected the poultry industry generally? 4. How do you compare your situation before and after the implementation of conditionality-based trade liberalization policies in terms of level of output/production, sales and profits? 5. Can you cite other enterprises in Ghana that have been affected by the conditionalities in a similar way? 6. Has the lower tariffs reduced the price of imported raw materials (e.g., feed, medicine) and machinery used in the poultry industry in Ghana? 7. It is argued that, free trade will introduce competition and will force the local poultry producers to be more efficient. How has free trade affected efficiency and competition levels (e.g. are you now producing higher output at a lower cost?)
2. Effect of trade liberalization policies on living standards and Poverty	Impact on Employment	<ol style="list-style-type: none"> 1. How have the conditionalities affected employment in the poultry industry generally in terms of job destruction and job creation? 2. How have the conditionality-based trade liberalization policies affected employment in your enterprise? 3. Please, provide employment data in your enterprise since the implementation of the trade liberalization policies (e.g. employment data in the enterprise from 1990 to 2007)

effectiveness to enable developing countries to efficiently utilise aid to engender development effectiveness.

This empowering paper seeks to bring the relationship between aid and employment into the international policy discourse and offers practical usefulness to development practitioners, governments, academia and beyond, looking for concrete policy ideas on how aid can be made effective. The hope is that it will stimulate discussion on the ways in which those seeking to promote rapid but equitable, stable and sustainable economic growth can attain development effectiveness.

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 Country Director
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Introduction & Background

In September 2008 Ghana will be hosting the Third High Level Forum (HLF 3) on Aid Effectiveness. The HLF3 builds on previous international high level meetings - the 2003 Rome HLF 1 and the 2005 Paris HLF 2 which culminated in the endorsement of the Paris Declaration on Aid effectiveness by partner governments, and other actors involved in international aid and development.

The Paris Declaration (PD) has five underpinning principles - country ownership, donor alignment to recipient country's strategies, harmonization of aid procedures, managing for results, and mutual accountability between recipients and donor countries. The overall goal of the PD is to make Aid more effective in facilitating development in the recipient countries by improving the processes under which aid is given.

The primary objective of the Accra meeting is to:

"take stock and review the progress made in implementing the Paris Declaration, also broaden and deepen the dialogue on aid effectiveness by giving ample space and voice to partner countries and newer actors (such as Civil Society Organisations and emerging donors)". (OECD)¹

It was against this background that this study was conducted to provide basis for trade union input into the international policy discourse on aid effectiveness. This paper is one of a number of studies commissioned by the Ghana Aid Effectiveness Forum - a coalition of civil society organizations in Ghana that have come together to make constructive inputs into the HLF 3.

It is generally accepted that the most effective way to reduce poverty is through decent employment for the majority of the people. Employment provides people the opportunity to contribute directly to the development of their country and to self-fulfilment. The country ownership principle, one of the key principles underlying the Paris Declaration, is meaningless if the people cannot claim ownership of their development. But, unsurprisingly, the relationship between aid and employment has not attracted the attention it deserves. This is not surprising because within the neoclassical approach to development, employment is treated as a residual outcome of growth. In other words, it is assumed, falsely though, that once there is growth, employment will follow automatically. Therefore, the relationship between aid and employment is, to the neoclassical thinkers, straightforward. If aid is

Appendix B: List of Beneficiary Districts and Communities in the Northern Region under the ADRA Ghana Food Security Project

Central Gonja District

1. Mpaha
2. Old Buipe
3. Kusawgu
4. Gberigi
5. Kpabuso
6. Sheri

East Gonja District

7. Kpalbusi
8. Matilapor
9. Bunjai
10. Grushie Zongo
11. Dagbambiya
12. Massaka
13. Adamupe
14. Meriche
15. Kumburipe
16. Kalande

Western Gonja District

17. Achubunyor
18. Sinsinal
19. Tidrope
20. Kagbal

Nanumba North District

21. Jinjinabani
22. Bakpaba
23. Bincheratanga
24. Lepusi

Nanumba South District

25. Kukuo
26. Dakpam
27. Gungunpa
28. Nakpayili
29. Binda
30. Lungni
31. Nassamba

Saboba - Chreponi District

32. Kpalba
33. Konkonzoli
34. Nualog
35. Saboa
36. Nakpar
37. Yankanzia
38. Banjani
39. Tombu
40. Kudani
41. Tiekasu

Savelugu-Nanton District

42. Tindan
43. Janjori Kukuo
44. Nanton Kurugu
45. Kpachelo
46. Duko
47. Moglaa
48. Tarikpa
49. Kudugziegu
50. Nyamadu
51. Yilikpani
52. Kpaliglinayili
53. Kanshegu
54. Farzini
55. Langa

Tolon - Kumbungu District

56. Sebegu
57. Cheyoli
58. Kpilo
59. Mbanayili
60. Yoggu
61. Kamonayili
62. Wayamba
63. Dimali
64. Gbrumani
65. Kangbagu
66. Talizoolanyili

6. What measures are being put in place to ensure the sustainability of the benefits under the project after the project has ended?
7. What are the main advantages and disadvantages of the food aid component of the project?
8. Do you think direct Money Aid would have achieved better results compared to the current aid which has a Food Aid component?
9. Other comments?

made effective in terms of its impact on growth, employment will follow.

The situation in Ghana in the past two decades or so has demonstrated some positive relationship between aid and GDP growth. Ghana has received billions of dollars in official development assistance since the early 1980s. In recent times, aid to Ghana has averaged over one billion US dollars per annum. Between 2003 and 2006 alone Ghana received aid totalling over US\$ 5 billion. Between 2006 and 2009 Ghana is expected to receive over US\$ 11 billion in aid.



During this period of tremendous increase in official development assistance, Ghana has recorded growth in GDP averaging 5% between 1984 and 2007. In recent years, during which period aid to Ghana has increased and disbursement rates improved, Ghana has seen an increased rate of growth averaging almost 6% (between 2003 and 2007).

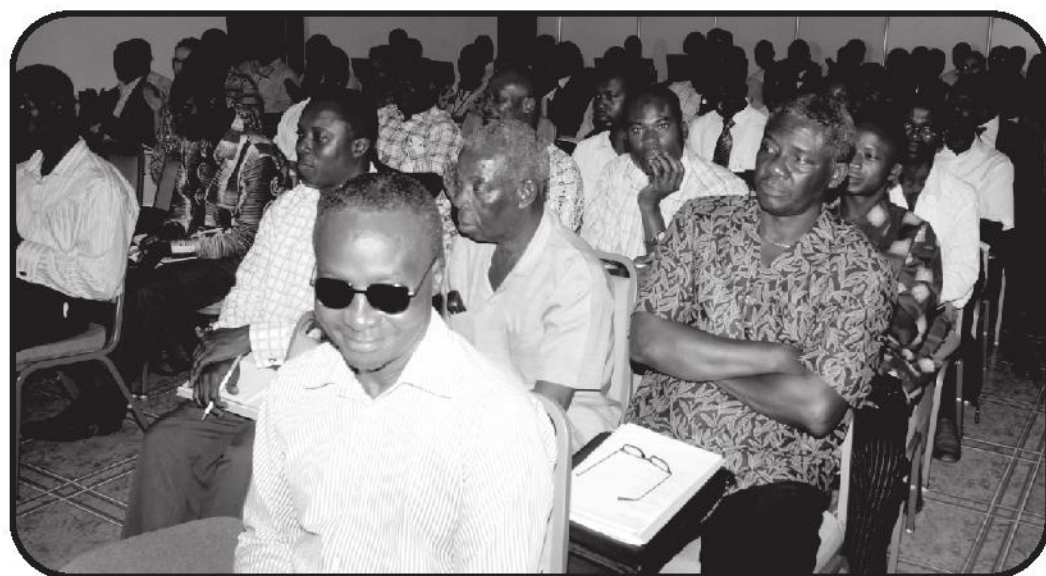
Adherents of neo-liberalism attribute Ghana's success in terms of GDP growth to increased aid and the IMF/World Bank-sponsored economic reform policies. However, as Baah and Akorsu (2006) strongly argue, the political stability in the country may be the most important factor that explains Ghana's remarkable economic growth, although they do not discount the positive impact of aid on growth. Even if the relationship between aid and growth is not causal, at least there is a very strong correlation between the two variables.

There is no doubt that Ghana has achieved remarkable growth in the past several years. But, as Baah and Akorsu (ibid) further argued "the economic and social benefits from growth have not been equitably shared". The Core Welfare Indicator Questionnaire Surveys (CWIQ) and Living Standard Surveys show that the inequities in access to education, health and other social amenities still persist and might have worsened in some regions and communities.

We believe that that inequality persists and keeps growing in Ghana partly because the economic growth we Ghana is experiencing is not being driven by internal economic mechanisms that create

employment. In order that aid can be development effective in terms poverty reduction and improved standard of living, it is important that aid impacts on employment positively. If aid affects employment negatively, it cannot be development effective because, as pointed out earlier, it is only through decent jobs that the wealth created through economic growth can be equitably distributed and poverty reduced on a sustainable basis.

In this paper we examine the relationship between aid and employment. Our hypothesis is that some forms of the aid that Ghana has received may have positive impact on employment creation and on poverty reduction. But other forms of aid especially tied aid which comes with trade related conditionalities and other forms of conditionalities that require the withdrawal of or reduction in subsidies to agriculture, for example, may have negative effects on employment and on social development. Any aid that destroys jobs, in terms quantity and quality, either directly or through the conditionalities attached to it cannot be development effective.



Cross-Section of Participants at CSO workshop

The simple question we are attempting to answer is: How has aid affected employment in Ghana? Specifically, we examine the impact of two different forms of aid and their conditionalities on the quantity and quality of employment in Ghana. By directing attention to the different effects aid can have on employment in the recipient countries, the study seeks to contribute to the on-going aid effectiveness discourse which aims at making aid more development effective.

Approach

The qualitative analysis approach was adopted for this study. The first part of the report is the literature review of the relationship between aid packages and their conditionalities on employment

Appendix A: Interview Guide for Fieldwork on ADRA/USAID-Funded Project in the Northern Region

Background

1. What is the project about? (Project aim and specific objectives).
2. What activities have been undertaken under the project? (Please describe the various elements of the project - e.g., training, micro-financing, etc)
3. When did the project start and how long (in years) has the project been implemented?
4. Who funded the project?
5. How was the project funded? (Please explain in detail the role of ADRA)
6. How much money has been used on this project since it started?
7. On average, how much money is used on the project per year?
8. How many communities have benefited from the project?
9. What criteria were used to select the beneficiary communities and individuals/households?
10. How many individuals/households have benefited from the project?
11. Please describe in detail the benefits of the project to the communities and to individuals/households who have benefited from the project
12. If the project is on-going, how long will it last?
13. Are there plans to expand the project to other communities and individuals/households?
14. How has the project contributed to food security in the communities and households who have benefited from the project?
15. How has the project contributed to skill development for the individuals who have benefited from the project?
16. How has the project affected income levels and contributed to poverty reduction in the communities where the project is being implemented?
17. In terms of the gender, in your opinion, who would you say have benefited more from the project, men or women? Or do you think men and women have benefited equally from this project?
18. If men and women have not benefited equally, why? What measures are being taken to ensure equal distribution of benefits for men and women?

Impact of Project on Employment

1. How many jobs have been created from the project directly and indirectly?
2. Please describe the jobs that have been created from this project?
3. In terms of gender, would you say the project has benefited men more than women? Or would you say men and women have benefited equally? Why?
4. Under the project, food is imported, sold on the Ghanaian market and the money generated from the sale is used to fund project activities. Do you think the food aid that comes as part of the project can negatively affect local producers in terms of employment, market for their produce and incomes for beneficiary communities, households and individuals? Please explain your answer.
5. If the project is negatively affecting local employment do you think the benefits from the project outweigh the losses? Why?

Project Achievements, Constraints and Sustainability

1. In your opinion what are the greatest achievements of the project?
2. What are the major constraints hampering the progress of the project?
3. Are you satisfied with the project implementation so far?
4. Are there areas that can be improved? Which areas and how can they be improved?
5. What can be done to ensure that more communities, households and individuals benefit from the project?

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creation and/or destruction, generally. The second part of the study pays attention to the relationship between aid and employment at the micro level. The analysis is based on case studies focusing on the impact of aid on employment in agriculture with specific reference to the poultry and food crop sectors in selected communities.

Data Sources

The analysis of aid and employment in the poultry sector is based on data collected from four enterprises in the poultry sector in and around Kumasi (the second largest city in Ghana). Information was gathered mainly through personal interviews.

In the case of aid and employment in the food crop sector information was gathered from coordinators of the Adventist Development and Relief Agency (ADRA Ghana) programme and beneficiaries of the programme in five communities through personal interviews and focus group discussions. Additional information was obtained from ADRA Ghana Head Office in Accra.

The interviews and focus group discussions centred on the following issues:

- The experiences with job creation and/or destruction in their sector as a result of the aid and its conditionalities;
- The experiences with the impact of aid on the quality of employment in their sector/area; and
- How they assess the impact of aid on their own living standards and, in general, on the development of their communities and the development of Ghana.

The case studies seek to test two key hypotheses. The case study in the northern part of Ghana is used to test the hypothesis that some forms of aid can be pro-employment and, therefore, pro-poor. The second case (the case of aid and employment in the poultry sector) is used to test the hypothesis that some forms of aid are not pro-employment and therefore cannot be pro-poor. The two cases are briefly discussed below.

Case 1

Aid and Employment in the Food Crop Sector: When aid can improve employment creation and reduce poverty – The Case of the Adventist Development and Relief Agency (ADRA Ghana)/USAID Food for Peace Programme in the Northern Region of Ghana

The Adventist Development and Relief Agency (ADRA Ghana) receives about \$4.4 million annually, in the form of food aid, from the USAID Food for Peace Programme. The aim of the programme is to reduce poverty and empower farmers in rural areas. A major portion of the food, primarily wheat, is imported from the USA and sold on the Ghanaian market to generate local currency. With the proceeds from the sales, ADRA trains rural farmers to improve agricultural practices and provides credit as well as seedlings for orchards and reforestation. ADRA also helps the beneficiary communities to rehabilitate poor roads that improve access to market centres. Through the programme, ADRA also supports the communities to provide potable water and sanitation facilities. The programme has been honoured by Ghana's Excellence Awards Foundation with the "International Development Partner Award for its meritorious service to the people of Ghana.

The study assessed how and to what extent this apparently successful aid programme is contributing to the creation of employment and to the improvement in living standards in the communities where the programme is being implemented. It should be noted, however, that the programme involves the importation of food which may have some negative effects on the production and marketability of locally-produced food and on employment in Ghana, generally. Therefore, as part of the analysis we take a critical look at the possible effects of the food aid on the Ghanaian food market and employment. In effect, we are assessing the net impact of the programme on the communities where it is being implemented.

Case 2

Aid and Employment in the Food Crop Sector: When aid and their conditionalities can harm employment – The Case of the Poultry Industry

Over the years the Government of Ghana has been receiving loans and grants from the World Bank and the IMF. The aid has been given on conditions of structural reforms and trade liberalization. Other bilateral donors have tied their aid to the World Bank and IMF conditionalities adding more

quality and quantity. The lesson is that aid and aid conditionalities that introduce unfair competition and take away jobs from the people as in the case of the trade liberalisation policy that has been implemented in Ghana in the last 20 years are not pro-poor and therefore not development effective and must be avoided.



Group picture of Stakeholders at Aid, Development & Poverty workshop

Data on profits were not given by the farmers but they all reported that profits have been declining due to low production. One enterprise reported a reduction in its output from 120,000 day-old-chickens (DOCs) to 20,000 over a period. Another reported a decline in its output from over a million to 200,000 broilers over a period to December 2007. Apart from the loss of jobs due to low production, there was evidence of a decline in the quality of jobs in the poultry sector over time. Currently, the majority of workers in the sector are casual workers. What it means is they do not have job and income security since their employment is determined by the demand of poultry products. Casual workers also do not have access to medical care, annual leave, social security and retirement benefits. The situation in the poultry sector in Ghana, in terms of jobs, is a clear demonstration of the negative effects of aid conditionalities in developing countries.

However, in terms of wages, we did not find any evidence of lower pay compared to the national minimum wage and wages in other sectors of the economy including wages in the public sector. Wages for the junior mostly unskilled or semi-skilled workers are just above the minimum wage. But the salaries for the senior and managerial staff range from US\$250 to US\$600 which compare favourably with the other profitable sectors of the Ghanaian economy.

Lessons

One lesson that can be drawn from this study is that NOT ALL AID IS BAD. In other words, there are bad aid and good aid. Ghana is a poor country with almost a third of population living under the poverty line. As in every poor country, a large proportion of incomes is spent on food. Therefore, aid that focuses on food security as a means of reducing poverty is likely to achieve good results if it is properly managed and had the right target as in the case of the USAID/ADRA Project in the Northern part of the country. There is general perception among CSO community that food aid creates dependency and may even destroy jobs. But there was evidence in the communities that the food aid under the USAID/ADRA Food for Peace programme was very beneficial because food was supplied at the right time when it was needed most (i.e., during hunger seasons) and that the food aid allowed them to plant all their seeds. In the absence of the food aid, the farmers could have consumed part of their seed meant for planting or even sell part. Thus, there was an indirect link between the food aid and the high yield on their farms which led to improved security in the communities. It is clear that this form of aid is development effective in the sense that it helped reduced poverty in the selected communities.

Another lesson which is confirmed by the role of ADRA-Ghana in the food security project is that community-based NGOs can play very effective role in aid and poverty reduction programmes. Policy makers can also draw a lesson from the negative impact on employment both in terms of

weight to these conditionalities. Many civil society organisations (CSOs) in Ghana, including the Ghana Trades Union Congress (TUC) believes that these policies, which are promoted as "reforms" and set as conditions for countries to access debt relief and aid have caused more harm in terms of employment and other social indicators. In particular, these policies are believed to have contributed in no small measure to the misfortunes of those employed in the agricultural sector with special reference to the rice and poultry industries. The unbridled trade liberalization policy is generally seen by Ghanaian CSOs as the cause of the flooding of the Ghanaian market with cheap imported chicken and other commodities particularly from the European Union and the United States.

The study assesses not only the direct impact of aid on employment, but equally importantly, it assesses the indirect impact of the conditionalities attached to aid. In spite of their obvious and widespread effects, it can be difficult to measure the exact impact of these conditionalities at the macro level due to the lack of data. The case study was therefore designed to assess the impact on selected enterprises in the poultry industry to provide some evidence of the impact of aid conditionalities on the quantity and quality of employment and living standards among poultry farmers.

Structure of the paper

The paper is divided into four parts. In Part 2 we review the literature on the aid and development. In Part 3, we report the results of the case study in the food crop sector. This is followed by the report of the case study in the poultry sector in Part 4. We conclude in Part 5.

Part 2

Employment and Development: Literature Review

The purpose of development aid is (or must be) to support the economic, social and political development of developing countries. Aid is supposed to help poor countries to fill in their resource gaps in order to get their economy on track and to raise the standard of living of the people.

It is difficult to measure development and to assess the total or net impact of aid on social development. The gross domestic product GDP of a country has been a popular measure use as a yardstick to measure the growth and/or development of a country. This indicator is relatively easy to measure and to compare across countries.

Some countries are, however, experiencing growth at the macro level due partly to the large inflows of official development aid, as it is in the case of Ghana for the past two decades. But as mentioned earlier, the growth has not been matched by the expected improvement in living standards of the large majority of the population. It is now clear and generally acknowledged that GDP growth or the growth of per capita GDP is indeed necessary, but not sufficient to secure sustainable and shared development.



Cross-Section of Participants at CSO workshop

An important reason for this is that not every kind of growth leads to productive and decent employment for the majority of the people as it should be. Countries which attain high rates of employment growth alongside high rates of economic growth are also the ones who succeed in

to legitimise aid conditionalities or at least fails to condemn them. Some civil society organisations continue to doubt the ability of the PD to achieve development effectiveness through aid effectiveness as contained in the PD. The Accra meeting is to allow stakeholders to take stock and review the progress made in implementing the Paris Declaration and to broaden and deepen the dialogue on aid effectiveness.

The first part of the case study component of the research involving ADRA/USAID-funded project in the Northern Region revealed some interesting outcomes of aid in rural communities that benefited from it over a ten year period from 1996 to 2006. The project involved the provision of credit (in a form of farm inputs), food aid, skill development and training in farming, storage and marketing of farm produce as well as upgrading and provision of water and sanitation facilities in the selected communities.

Our analysis, based on the information gathered from five of the beneficiary communities, shows that the project was very successful in terms of job creation and poverty reduction. First, it enabled many poor people to participate in economic activities through aid. Second, it enabled the farmers to increase their output to the extent that part of their produce could be sold which led to higher incomes. The food aid programme which was part of the scheme allowed farmers in the communities to increase their yield because they did not have sell or consume their seeds meant for planting contrary to the belief that food aid can destroy jobs. There were other benefits of the aid programme. They included the adoption of new farming and marketing practices, improved sanitation, water and storage facilities in the communities as well as the introduction of new crops such as soya bean, moringa, cashew, and mangos in the beneficiary communities. The end result was food security and poverty reduction in the beneficiary communities.

The second part of the case study involved an analysis of employment and incomes in the poultry industry in the era of trade liberalisation in Ghana dating back to the mid 1980s. Our analysis shows a declining trend in employment based on the limited data obtained from the four enterprises in and around Kumasi (the second largest city in Ghana). In one case employment level in the enterprise reduced from 220 in 1989 to 80 in 2007 and in another case employment reduced from 200 to 45. The farmers attributed the falling trend in employment in the poultry industry largely to the unfair competition that has resulted from the trade liberalisation policy. It was reported that in some cases, the enterprises have had to close down due mainly to the unfair competition from Europe and other economically advanced countries. The enterprises that have continued to operate are actually operating below capacity.

SUMMARY & CONCLUSION

The report presents the result of a qualitative assessment of the impact of aid and its conditionalities on employment and poverty reduction in Ghana based on a combination of desk and case studies. The desk study was mainly a review of the literature on the relationship between aid and its conditionalities on the one hand and employment and poverty reduction on the other hand. The case study component involved the study of the impact of aid on poverty in the food crop sector in five communities in the Northern Region of Ghana and in four enterprises in the poultry sector in the Ashanti Region (in the southern part of Ghana).

The results of the desk study emphasises the crucial role of employment as a link between economic growth at the macro level and poverty reduction at the micro level. The general perception among many civil society organisations is that aid and aid conditionalities destroy rather than create employment. This perception stems from the fact that structural adjustment policies, which were implemented largely as aid conditionalities, were responsible for the huge losses of public sector jobs in many African countries including Ghana. In addition to the direct loss of jobs in the public sector, aid conditionalities, in particular trade liberalisation, has been responsible for job losses in some sectors of the economy including textiles, food crop, and livestock sectors.

A point was made that it is only through mass employment that benefits from growth can be shared equitably. Therefore, aid should seek to create but not to destroy jobs if aid can be pro-poor and development effective. But this important link (between aid, employment and poverty reduction) has not been given the recognition it deserves in development aid circles, generally. The international development discourse still emphasizes macroeconomic stability and market-led growth as the route to poverty reduction. But as pointed out in Part 2 of the report, the market-led growth may succeed in achieving macroeconomic stability but it is very slow in creating the kind of jobs that will benefit the unskilled and semi-skilled people, women and the youth who form the majority in most developing countries including Ghana.

The Paris Declaration on aid effectiveness promotes country-ownership of domestic policies, harmonisation of aid procedures, aligning aid to recipient country priorities, results, and mutual accountability. But so far the PD has not dealt with aid conditionalities that come in the form of policies imposed on the recipient countries by the donors. The PD, with the support of the IFIs, seems

reducing poverty significantly (Khan 2001). The pattern and sources of growth, as well as the manner in which its benefits are distributed are, thus, important for the achievement of a more sustainable poverty reduction. Secure and well-paid jobs (i.e., decent jobs) have a central role in making economic growth pro-poor.

There are many benefits for making decent job creation a priority in development or poverty reduction policy. There is no doubt about the positive relationship between decent employment creation and improved incomes. Employment allows the redistribution of income of the country in a natural way by providing opportunity for individuals to participate in the economic and social development process. Employment also makes people financially more independent which can have positive impact of other aspects of society. Employment is not only a means of livelihood, but it is also a tool for participation. Productive employment can enhance self respect and human dignity. Higher rate of decent employment creation can also strengthen the tax system and increase tax revenue for government and contribute to the establishment of a sound relationship between citizens and the state. There are thus multiple benefits of prioritising the creation of decent employment in poverty reduction policies.

It is therefore essential for all stakeholders in development to have a good understanding of the mechanisms through which the linkages between economic growth, employment and poverty reduction work. This will motivate them to integrate employment into development strategies in general and poverty reduction strategies in particular.

In developing countries a very few people can stay unemployed because of the absence of social safety nets such as unemployment benefits. That explains why unemployment (measured according the strict definition of unemployment) is so low in many developing countries particularly in Africa where the informal "survivalist" economies are so large. There are huge differences in the qualities of different kinds of employment with respect to their ability to contribute to better living standards for individuals and for the development of the country in general. Jobs in the formal sector are obviously different compared to those in the informal sector. Informal economy workers face many risks and challenges including low wages, lack of job and income security and poor health and safety standards. The workers in the informal sector are usually not organised into trade unions and, despite their enormous contribution to the economy, their activities are not officially recognised

Governments have the responsibility to develop the appropriate policies to improve the lot of those employed in the informal sector. The creation of more and better jobs, through appropriate

economic and labour market policies, is the governments' responsibility. Also governments have the responsibility to enhance the human capital of the poor through a greater access to education, skills and healthcare, improvements in physical infrastructure, easy access to credit and the creation of social safety nets (ILO).²

However, it should be noted that it is not only governments that influence the employment situation in developing countries. Donors are playing a very influential role through aid and their conditionalities. In order to make aid more effective it is necessary to pay more attention to its effects on employment.

But how has employment been linked to development so far? Or, to be more specific, what is the role of employment in development? The discourse within the international donor community on how development can be achieved has changed over the years. In general, very little attention has been paid independently to access to employment by the masses and the quality of jobs. More often attention is paid to economic growth on the one hand and poverty reduction on the other hand – overlooking employment as the crucial link and catalyst of the two.

Poor economic performance and huge debts at the end of the 70's changed the development focus in international donor society - led by the World Bank and IMF - to macro economics and the 'straightening up' of the economies of poor countries. This was done by attaching policy conditions to aid. These conditions aimed at adjusting the economic and financial structures in the indebted countries. It was expected that such structural adjustments policies would do the 'straightening up' of the heavily-indebted poor countries.

These structural adjustments policies, also known as the Washington Consensus, were designed to promote neo-liberal economic and financial policies and to reduce the role of the state in the economy. Through the liberalization or deregulation of markets (including the financial, labour, and commodity markets) and privatization of state enterprises it was expected these poor countries would attract foreign investments which would then secure growth and development (SAPRI, p. 2).

Within the framework of the Washington Consensus and structural adjustment approach to economic development, the assumption was that when the structures were right, there will be inflow of capital and investments which would automatically create jobs. Within the neoclassical model, employment is thus considered a by-product of growth which the right market conditions automatically provide. Furthermore, the adjustment policies were expected to create more jobs as a

background that the trade liberalisation policy is not likely to end soon. The Government of Ghana has initialled the Economic Partnership Agreement with the EU. It is expected that the Agreement will be signed in the course of the year (2008). If that happens, Ghana will be forced to allow a huge chunk of European imports into Ghana without import duties. Civil society organisations in Ghana have been campaigning against the signing of the EPA but there is no sign that Government will listen. It is therefore not likely that the poultry industry will be revived soon.

The future of the Poultry Industry in Ghana remains bleak especially when viewed against the background that trade liberalisation policy is not likely to end soon.

Three of the four provided medical care for all workers until the National Health Insurance Scheme (NHIS) was introduced in 2006. Only one of the four enterprises provides subsidised transport but it is only for the managerial staff. Lunch is also provided for some of the workers and some of them (i.e., the permanent workers) enjoy annual holiday and sick leave with pay.

One of the managers explained that in the 1990s the company had a clinic that provided free medical services for the staff "but since the fortunes of the enterprise continues to dwindle, that facility was taken away. At the moment, not even the managers enjoy free/subsidized medical services". Another one said in the 1980s "we used to give interest-free loans to our workers but now it is obvious that it cannot be sustained".

The farmers however emphasised that they cannot blame free trade policy for all their problems. They admitted that there are a number of internal factors that hinder their operations. The high interest rate, the high utility tariffs and the Bird Flu were particularly mentioned as factors that have negatively affected the poultry industry in Ghana.

Conclusion

This part of the report discussed the effects of trade liberalisation on the poultry industry in Ghana. Our analysis shows a declining trend on employment based on the limited data obtained from the four enterprises included in this study. It was reported that in some cases, the enterprises have had to close down due mainly to the unfair competition from Europe and other economically advanced countries. Those enterprises that have continued operations are actually producing far below capacity. The impact of the low output in the poultry industry on both quantity and quality of employment is devastating.

In terms of incomes, interviewees reported low profits (for entrepreneurs) and low pay among the junior staff in the enterprises. But our analysis of the wages in the poultry sector showed that wages in the poultry sector are not different from what prevail in many other sectors of the economy. And, in terms of non-wage benefits, the workers in the enterprises included in our study are all members of the national social security scheme which is compulsory scheme. In addition, the permanent workers also enjoy annual leave with pay. But some of the workers do have medical care, which is a basic benefit every wage worker in Ghana expects to have.

The future of the poultry industry in Ghana remains bleak especially when viewed against the

result of the deregulation of the labour market which was expected to introduce flexibility in the labour market, reduce labour-related costs and the ability of the workers to unionize (Kapijimpanga p. 41).

The structural adjustment policies were less successful than hoped for with ambiguous results on the economic growth of developing countries. Even more critically, it is generally acknowledged that the majority of poor people in the developing countries where these policies were implemented did not benefit from the policies. The trickling-down theory did not work. Instead, instead the poor were made to bear the cost of the structural adjustments policies. Faced with rising opposition, and bad results, the Washington Consensus was discredited and replaced by elaborate policies for poverty reduction.

The formal retreat of the Washington Consensus opened up for the new poverty agenda with renewed and independent focus on poverty reduction. The new poverty agenda has since been central to the international development policies of the West. It constitutes the current international consensus on how to reduce poverty in poor countries.

The poor and heavily-indebted countries were asked to prepare Poverty Reduction Strategy Papers (PRSPs) to serve as the new strategic framework for development corporation (Oyugi p. 48). The PRSP describes the macroeconomic, structural and social policies and programmes that a country intends to pursue to promote broad based growth and reduce poverty. The link between the PRSP and development aid is that the PRSP document stipulates external financing needs, including direct annual budget support from external partners (Nyangu, p. 56).

But often Governments in development countries have not got the same capacity as their so-called development partners in the formulation of policies, making it questionable that PRSPs were really nationally-owned and not directly or indirectly imposed from outside. Even a cursory look at any of the PRSPs shows that the principles that guided their formulation are essentially not different from the Washington Consensus. The neo-liberal framework under the PRSP is the same as the structural adjustments (Kapijimpanga p. 40). All the 33 Highly Indebted Poor Countries, as they were described by the international financial institutions (IFIs), in Africa were subjected to the same neo-liberal policy conditionalities in securing development aid which included debt relief. The IFIs still decide which countries get aid even from the bilateral donors through the PRPS formulation (Kapijimpanga p. 37).

The emphasis on macroeconomic stability as a primary focus has not changed, neither have the perspectives on job creation. It is still the prevailing idea that macroeconomic stability will lead to investments and then through higher rates of investments more jobs will be created. A typical example is the latest Ghanaian PRSP, the so called Growth and Poverty Reduction Strategy (GPRS II). The GPRS II is seen as "Employment-centred cross-sectoral development strategy for accelerated growth and poverty reduction". It is also stated that "the broad employment sector objective will be to ensure an adequate, well regulated, stable labour market to support accelerated growth (GPRS II, p 40)". But very little is said about how employment will be created within the GPRS framework. There is no clear strategy on how to create more and better jobs in the country. Thus, even under the under the New Poverty Agenda employment is still seen as a by-product of the right market conditions. The regulated and stable labour market is assumed to be there to facilitate growth, and not the other way around. The role of the state is thus not to actively interfere in the market to secure more jobs, but to facilitate the market by building up the capacity/human resources of the people through the provision of health services, education and training.

How has the open market strategy followed by many developing countries so far been able to attract investments and cash inflow? And more crucial, even if investments have been attracted, have the investments and cash inflow led to the creation of more and better jobs for the poor people in these countries.

Let's take Ghana as example. There was severe economic decline in Ghana in the late 1970s and early 1980s. The declining trend was reversed in the mid-1980s and since then the economy of Ghana has been growing at average rate of five percent per annum. Ghana has also achieved political stability and has successfully introduced democracy after many years of dictatorship (Whitfield & Jones, 2007). Ghana is now considered to be a star pupil by the international donor community. This is partly due to its status as a pro-reformer. But the structure of the Ghanaian economy is not too different from the economy at the time of independence. Despite the rapid growth in the services sector and some moderate growth in industry (due mainly to growth in mining and construction), agriculture remains the backbone of the Ghanaian economy just like any other country in Africa.

The challenge ahead for Ghana is to mainstream employment policy and take the appropriate measures to strengthen the ability of the economy to generate employment as a means of tackling poverty.

Table 4: Wages in one of the enterprises studied Compared with the National Minimum Wage

Year	Minimum Salary (US\$)	Maximum Salary (US\$)	National Monthly Minimum Wage
2002	38	250	25
2003	42	235	29
2004	55	284	34
2005	60	311	40
2006	58	344	47
2007	62	371	56

Source: One of the four enterprises involved in the study (not to be disclosed)

The following are the sampled views of the managers we interviewed about wages in the poultry sector:

"I know that the salaries the workers earn are not realistic but there is nothing we can do because the total income of the farm is so little that we can't afford to pay realistic salaries. It is a problem for the entire poultry industry in Ghana."

"I can't quote figures, but I know a lot of people were below the minimum wage [in the poultry industry]. This led to some agitations among the workers to invoke the relevant labour clauses with the help of some labour workers (Industrial and Commercial Workers' Union (ICU) and General Agricultural Workers' Union (GAWU). But they were not successful and most of the leaders lost their job."

"Salaries are largely determined by the production levels. But the proprietor has the final say."

"The values of the salaries have reduced even though the physical amounts have increased. The purchasing power of the salary has become very weak."

"Salaries are determined by the profit we make. The imported poultry products are very cheap so we are forced to reduce our price making it difficult for us to pay realistic salaries."

With regards to non-wage benefits, all the four enterprises reported that their permanent workers are members of the Social Security and National Trust (SSNIT).⁴

⁴The SSNIT scheme is compulsory and all workers in the formal sector are required to contribute to it. Employers contribute 12.5% of the employee's salary. In addition, the employees contribute 5% of the pay. A total amount equivalent to 17.5% of the worker's pay is paid directly to SSNIT every month. The Scheme covers three main contingencies including retirement pension when the contributor attains the age of 60 years and has contributed for at least 240 months or 20 years, survivor's benefit (in a case when the contributor dies before he/she retires) and invalidity benefits (in a situation where the contributors is declared unfit to work).

Effect of trade liberalisation on Incomes

Christian Aid estimates the cost of trade liberalisation for Sub-Saharan Africa in the last 20 years to be in the neighbourhood of US\$272 billion. "Had they [the government in the sub-region] not been forced to liberalise as the price of aid, loans and debt relief, Sub-Saharan African countries would have had enough extra income to wipe out their debts and have sufficient left over to pay for every child to be vaccinated and go to school." (Christian Aid, 2005).

Ghana began to liberalise trade in 1986. In 2000, Ghana's GDP was just under US\$5 billion. According to the analysis undertaken by Christian Aid (op. cit.), "if Ghana had not liberalised, our model suggests that its GDP [in 2000] that year would have been nearly US\$850 million higher". Adding the loss every year from 1986 to 2001, the last year for which data were available, amounted to nearly US\$10 billion, or around ten per cent of Ghana's GDP over that period. In per capita terms, Christian Aid (op. cit.) in 2000, Ghana lost US\$43 for every one of its 20 million people. In the same year, Ghana received aid worth just US\$31 per person. Over the 15 years since trade was liberalised, Ghana's population lost the equivalent of US\$510. "Given that per capita GDP in 2000 was just US\$330, it's as if everyone in Ghana stopped working for one and a half years". (Christian Aid, op. cit.)

The foregoing shows the effects of trade liberalisation on incomes at the macro level. What happened at the macro level is the aggregation of the effects at the micro level.

Wages and Benefits in the Poultry Industry

As expected, the trade liberalisation policy has had devastating effects on incomes (profits and wages) in the poultry industry. The farmers argue that the high volumes of imported poultry into the country constantly put them in a disadvantaged position. Income levels in the form of profits have dropped drastically and that has affected wages in the industry.

Most of the workers in the industry receive wages that are close to the national minimum wage. In 2007, the national minimum wage in Ghana was US\$51 per month. It has increased to approximately US\$63 per month in 2008. The farmers in the four enterprises reported that their wages for the junior staff are always just above the national minimum wage. But salaries are much higher for the management staff ranging from US\$250 to US\$600 a month. Only one of the four farms agreed to release detailed data on wages. The table below shows monthly wages in that enterprise between 2002 and 2007. For ease of comparison, we have also presented the national minimum wage for each of the years. As we can see from the table, the wages in the poultry sector are not particularly low compared to the national minimum wage and also compared to wages in other sectors in the Ghanaian economy even including public sector many of who receive below US\$100 per month.

Aid Conditionalities and Employment in Ghana

Trade liberalisation

Ghana has received huge amounts of aid over the years. In the last couple of years, Ghana has been receiving an average of one billion US dollars in aid per annum. Like many other African countries, Ghana receives aid which is worth nearly 10 percent of its Gross National Income (GNI). Ghana depends on aid, to a large extent, for the provision of essential services such as health and education.

As mentioned earlier, Ghana experienced a severe economic recession that persisted throughout the late 1970s and the early 1980s. This led to the introduction of the IMF/World Bank-sponsored structural adjustment policies which entailed tariff adjustment, the liberalization of import and foreign exchange, deregulation of domestic market prices and controls and institutional reforms (SAPRIN P. 46). Official aid was used by the IFIs and other development partners as the main instrument for pushing the structural adjustment policies.

The policy conditionalities attached to aid, particularly the trade liberalisation policy, have had significant influence on employment in Ghana over the past years. This led to the removal of subsidies on agricultural inputs and some import tariffs. The liberalization of imports has resulted in intense competition from imports that have displaced some of the products of small-scale farmers from their own domestic market. There has been unprecedented increase in import of chicken, rice, tomatoes and other commodities from Europe and USA.

The lack of data prevents detailed analysis of the impact. A limited number of studies have, however, been undertaken to assess the impact of trade liberalisation on the poultry sector. Commercial development of the poultry industry started in the late 1960s. By the 1980s the poultry industry had developed into a vibrant sub-sector of the agricultural industry. Poultry has a trickle-down effect on the industries in the food production chain. A vibrant poultry industry therefore has multiplier effects on employment and income generation that go beyond the poultry industry itself (ISODEC 2004).

During the 1990's the local industry was almost entirely out-competed by cheap import from Europe and USA. Between 1970's to the early 1990's, the local industry supplied virtually all the chicken and eggs consumed in Ghana. In 1992, for example, 95 percent of Ghana's poultry requirements were domestically produced. By 2002, the figure had dropped to 11 percent (ISODEC 2004). Today, the share of the local poultry industry in the domestic market may be as low as 5 to 8 percent. Ghana imported 26,000 tonnes of chicken in 2002, mostly from the European Union, where farmers receive generous subsidies. Two years later this figure had almost doubled to about 40,000

tonnes. The annual import bill is currently around US\$30 million (Kudzodzi 2006).

Many poultry farms have been closed and the ones surviving are unable to operate at their full capacities. The demand for local poultry has collapsed, threatening the livelihoods of over 400,000 poultry farmers in Ghana (Atarah 2005). The uncompetitive production costs have resulted in huge job cuts with negative spill-over effects on related sectors such as maize production and slaughterhouses (Kudzodzi 2006).

The imported poultry is heavily subsidized with huge subsidies provided to EU farmers or as the case of USA by direct export subsidies making the price unrealistically low. Furthermore, the Ghanaian producers have not gotten the same privileges of cheap loans, good infrastructure and new technology as their competitors adding to an unfair competition (ISODEC).

A recommendation was given in 2000 by the Committee on the Poultry Industry appointed by The Minister of Food and Agriculture that "it is essential that government counterbalances the negative effects of external subsidies through appropriate tariffs....". In 2003 the Ghanaian Parliament did pass a law (Act 641) allowing an additional 20 percent tariff to be imposed on imported chicken, raising the import tariff on poultry to 40 percent. The law was however not implemented for reasons best known only to the public authorities. In a dramatic move, just two months after the law was passed, the Customs and Excise Preventive Services (CEPS), the body responsible for implementing the tariffs, issued an order reversing the decision. The new tariffs were said to be in conflict with regional tariffs. In other words, the proposal had been blocked by the International Monetary Fund (IMF), an institution in which the Ghanaian government has less than 0.5 per cent of the votes (Atarah 2005). When the poultry farmers association in Ghana went to court to get the law enforced their case was upheld by the court. The Government of Ghana, instead of implementing the provisions of the law, resorted to unjustified use of Parliament's procedures of emergency legislation to repeal Act 641, on March 11 2005, just two days after the High Court had ruled that government was wrong in not implementing that Act, and that the failure to implement the law has caused untold hardship to sizeable sections of the population. Thus, rather than uphold the interests of citizens under the Act, the government decided to abolish the law, and with it, the interests and rights as affirmed by the court.

As the Secretary-General of Ghana Trades Union Congress rightly noted in his May Address in 2005, as follows:

I will say it [trade liberalization] account for about 80% of the fall in employment numbers. The remaining 20% has to do with our own attitude, as Ghanaians. We tend to have excessive taste for foreign goods. Also, our leaders always fail to take bold decisions.

In his opinion, in spite of the trade liberalization, if Ghanaians do not have what he described as "excessive taste" for foreign goods, the imported chicken cannot out-compete the locally-produced poultry products.

Another farmer attributed the inability of the farmers in Ghana to compete with their foreign counterparts partly to the structure of ownership of the farms and management styles. In his view, "...apart from the unfair competition, high interest rates and high utility bills, most farms are owned by only one person "one man business" so decision are always taken unilaterally". With regard to loss of jobs, the same farmer said "...because of the nature of the industry, where one person decides what to do with the workers, employment in the poultry industry has never been secured". Another farmer was the view that "jobs in the poultry industry is generally not attracted to skilled labour because of low remuneration and the fact that people consider it to be a "dirty job" so we rely heavily on unskilled labour (casuals). Therefore, we can't say that all the labour-related problems in the poultry industry have to do with trade liberalization. However, the [trade liberalization] regime has brought a lot of hardship on the farmers. The unfair competition, higher cost of production, change in taste of Ghanaians, etc. Our employment figures tend to reduce year after year because the hardship lingers on".

The manager of one of the enterprises reported that he has diversified his operations to include food crop farming and the majority of his employees in the poultry farm have been retrained and re-engaged in the food crop farms. According to him, although the employment figures in the poultry farm are declining, employment figures on the food crop farms are increasing and workers there feel more secure than those in the poultry farms.

Other factors mentioned as causes of the decline in the output and employment in the poultry industry include what was described by one manager as "the difficulties of doing business in Ghana", the inability of the poultry associations to mount pressure on the government to improve their conditions, the lack of political will to protect the industry, and the Bird Flu that hit the industry recently.

One of the farmers described the situation as follows:

We are producing far below capacity so we have to lay off a lot of people [workers]. Most of our pens are empty. The farm has the capacity to produce over 100,000 broilers and 600,000 DOCs at a go but now we are only struggling to produce 35,000 [broilers] and about 300,000 DOCs.

All the farmers we interviewed reported that there was upward trend in employment before the introduction of the structural adjustment and trade liberalization policies. Some of them even had branches in other parts of the country. But today, workers are being sacked and even for those who are employed the majority are employed as casual workers. This is an indication that the decline in employment in the poultry industry is not only affecting the quantity of jobs but also the quality of employment in terms of job security and income security. The short period of employment also prevents their ability to form or join unions and their ability to negotiate for improvement in their wages and conditions of service.

The following statements by the farmers are the responses to the question "What factors explain the downward trend in employment in your enterprise?"

We have been compelled to lay-off workers over the years. I cannot remember the exact numbers, because, during peak seasons we normally employ many casuals and lay them off after the season, the situation gets worse year by year. Last two years for instance, we stored dressed birds for over a year due to the bird flue scare coupled with the increased importation of dressed birds from outside the country.

There were times we were sure of the market so we increased production in those years and employed more workers. During the period between 1991 and 1995, we increased the production of DOCs because the demand for DOCs went up so we concentrated on that. But now even that is problem because the importation of DOCs has also increased in Ghana so much. In 2001, the government offered us some loan facilities to revive the farm so employment figures went up, but much of the profit which should have been ploughed back into the business went into paying the interests on the loan, hence the reduction in the number of employees in subsequent years.

The downward trend in employment is largely due to the unfair competition which is forcing us to reduce our production. But other factors include high utility bills and high interest rates. Production levels are not stable. The fall in employment figures depends on the fluctuations in the production levels.

It should, however, be noted that the farmers did not blame only the unfair competition, high utility bills and high interest rates for their inability to increase production and hire more workers. For example, one of the farm managers of one of the enterprises blamed the low production and the corresponding low levels of employment to "our taste for foreign good". This is how he put it:

Act 641 was a law duly passed by Parliament in 2003 to protect the domestic poultry industry from what the Government itself had publicly acknowledged to be unfair competition from subsidized foreign poultry products. The Act simply required Government to raise import duties on poultry to reduce the flow of hugely subsidized foreign poultry products into the Ghanaian market and the destruction that this flow was wreaking on domestic producers. Act 641, which was passed with proper respect to rules of parliamentary procedure, contained provisions to deal with a well thought-out policy based on a well established case and acknowledged in the government's own budget statement of 2003. It was a consistent application of the rights of Ghana under the rules of the World Trade Organisation of which Ghana is a member. In spite of all these, the Executive and its agencies, under pressure from the International Monetary Fund (IMF), refused to implement the law, compelling the poultry-farmers to seek help from the ordinary courts of the land for the implementation of Act 641. When the courts decided in favour of the poultry farmers, the government unjustifiably resorted to parliamentary procedures reserved only for situations of national emergency and, within 24 hours, pushed through Parliament a Bill, repealing Act 641. Through this manoeuvre, the government has sought to prevent the eventual enforcement of the court decision, just as they had earlier refused to apply a law duly passed by Parliament.

It should be noted that there is very strong belief within the Ghanaian civil society that the move was inspired or instigated by the IMF. It should also be noted that WTO rules could not have been used as excuse for the repeal of the Act because under the WTO Agreement on Agriculture (AoA) Ghana's tariffs on agriculture products can be as high as 90 percent (Atarah 2005).

Public sector reform

Another area where aid conditionalities have had negative impact on employment in Ghana is in the public sector. In the end of the 1980's and the early 1990s the Ghanaian government, like many other African governments, was forced to downsize its public sector as one of the aid conditionalities. The government of Ghana agreed with the World Bank and the IMF to lay off a large number of public sector workers and to freeze public sector employment. Ghana was regarded then as one of the most "progressive" African reformers in civil service, when the Ghana Government cut the size of the civil service by 60,000 (Van de Walle, p, 84). Offei-Aboagye (2000) noted that the mass lay offs had a disproportionate negative impact on women since women occupy most the low level positions that were affected by the exercise. The majority of those who were sacked from the civil service were forced to join the informal economy. The mass layoffs thus contributed to further formalization of the Ghanaian economy. It is estimated that the formal sector is able to provide employment for only 5000 of the estimated 250,000 new entrants to Ghana's

labour market every year (ISSER 2005). The rest are left to look for jobs in the informal sector where working conditions are poor and incomes are low. In spite of the relatively high growth in Ghana averaging five percent a year in the last 24 years, only 14 percent of the Ghanaian labour force are currently employed in the formal economy where jobs are relatively secure jobs.

The Paris Declaration (PD) and Employment

To secure more sustainable development in the future, it is important that job creation and improvement in the quality of jobs receive priority attention from the managers of the economy. The question then is to what extent does the Paris Declaration prioritises employment creation as means to achieve aid and development effectiveness?

The PD is a reaction to a need for change long requested by CSOs. And it is seen as the right basis for relationships between donors and recipient governments. Accountable aid relationships based on real ownership can help to support democracy and the empowerment of poor people to claim their rights.

But the PD has often been reduced to a technical process by the donors improving the management of aid flows and lowering transaction costs. The reforming of the aid system can however not be a 'neutral' technical process. It is thus alone political what the PD has been decided to deal with and especially what it has been decided not to deal with. It is a political decision in itself that the PD ignores conditionality and tied aid. It must be seen as a quiet accept of the policies that are imposed through the conditionalities not to deal with the latter. It must be recognized that even within the process of implementing, monitoring and evaluating the PD, a job undertaken dominantly by the donors, they continue to exert significant power over aid recipients, and impose their priorities and concerns.

Within the PD, the target is that 75 percent of all recipient countries 2010 should have an operational development strategy. It should be noted, however, that national operational development strategy is measured by World Bank criteria. The PRSP, which is the current operational development strategy used by the World Bank, has on many occasions been criticized by CSOs for not representing the interest of the poor. It is also of concern that the harmonization of aid and aid conditionalities can reduce the policy space available to local stakeholders in national policy-making. In fact, CSOs criticises the PD specially for failing to deal with aid conditionalities. It is a serious shortcoming of PD which makes it incapable of solving many of the aid-related problems it was set up to solve, such as the principle of national ownership of the receiver countries over their own policies and the alignment

Table 3a: Employment trends at Darko Farms Ltd

Year	Peak season	Off peak season
1989	220	200
1990	180	150
1991 -1995	160	120
1996	100	100
1997-1999	105	100
2000	120	120
2001 – 2005	180	140
2006- 2007	80	80

Source: Darko Farms Ltd

Table 3b: Employment trends at Mfum Farms

Year	No of permanent employees
19 89	--
1990 -1995	200
1996	185
1997-2000	111
2001 – 2003	90
2004- 2007	48

Source: Mfum Farms

Table 3d: Employment trends at Asare Farms

Year	No of permanent employees
2000	112
2002	162
2003	150
2004	111
2005	111
2006	98
2007	100

Source: Asare Farms

The downward trend of employment in the industry was attributed to low production. As mentioned in Part 1 of this report, Ghana imported 26,000 tonnes of chicken in 2002, mostly from the European Union. In 2004 the figure had almost doubled, to nearly 40,000 tonnes (FAO, 2005). The annual import bill for poultry products is around US\$30 million. In 1992, about 95 percent of Ghana's poultry requirement was supplied by local poultry farmers. In 2002, the share of the locally-produced poultry products had reduced to only 11 percent. It is estimated that the share of the locally-produced poultry products has reduced to a single-digit (Inter Press Services 2007).

production. Sometimes we are unable to meet the demands e.g. during Christmas. But just after Christmas we almost don't make sales at all yet we have to pay workers and settle our bills etc. The policy of trade liberalization has brought in cheap poultry from elsewhere to destroy the local market.

The views expressed above accurately capture the general trend in the poultry industry in Ghana. In addition to the unfair competition from imports, the farmers also complained about higher water and electricity tariffs and the high interest rates as the factors impeding the development of the industry. According to the Central Bank of Ghana, the commercial banks in Ghana are charging lending rates ranging from 22 to 39 percent for businesses while the non-banking financial institutions are charging between 59 and 134 percent. The farmers also complained about the cost and the cumbersome processes of clearing goods from the ports.

It is often argued that, free trade introduces competition and that will force the local producers to be more efficient. The farmers agreed that competition brings efficiency. But they argued that it is only possible if there is fair competition but not in a situation where "our counterparts in Europe and elsewhere enjoy subsidies and other allowances and have free access to our country to compete with us".

Employment trends in the poultry industry

The commercial poultry farms employ and pay workers based on the demand for poultry products and their profit margins. All the four enterprises reported that they have laid off workers at some point due mainly to low production. The workers who are mostly affected by the redundancy exercises are the labourers, hatchery attendants, drivers, production staff, carpenters, electricians and masons etc. As mentioned earlier some farmers have closed down their enterprises completely leading to loss of jobs. Others keep just a small number of workers to take care of the equipment.

The limited data on employment gathered from the farmers confirm the decline in employment in the poultry industry. At Darko Farms, employment declined sharply from a total of 220 workers in 1989 to 80 in 2006/07. At Mfum Farms, employment reduced from a total of 200 between 1990 and 1995 to 48 between 2004 and 2007. At Asamoah & Yamoah Farms, employment data were not readily available. But, according to the manager, total employment has not exceeded 120 for a long time and in 2006 the company had to lay off over half of its staff leaving only 75 workers. Some of them have since been re-hired bringing the total workforce to 112. Employment data for the three of the enterprises are presented below.

of donors with receiver countries policies and goals.

A consensus in the donor community to make the PD non-political is however effectively closing all avenues for any further discussion on the appropriateness of the prevailing neo-liberal policy discourse. This is disappointing given the contradiction between the open market strategy and its direct and indirect effects on employment in developing countries. That is why many CSOs doubt the development effectiveness of the PD and its principles. By refusing to deal with aid conditionalities, the PD is promoting the open market ideology which is leaving little space for country ownership of policies. For a government to take ownership over its policies and responsibility for the creation of jobs for its people, it should be able to have some policy space and the right to act.

The Development Policy Framework and Poverty Reduction in Ghana

It must be stressed that the policies and strategies outlined in the GPRS II are not very different from those pursued under the structural adjustment in the 1980s and 1990s. There is a common feature of all the PRSPs of different developing countries - they all have the same neo-liberal macro economic strategy. It is amply clear that the local ownership exercised officially through the PRSP's was limited.

But policies that emphasise macroeconomic stability are not likely to lead to rapid rate of employment creation and will still hurt the poor in the short to medium term. The neo-liberal open market strategy is yet to demonstrate its capacity to attract investments which lead to more and better jobs for the low and semi-skilled people who form the majority of the Ghanaian population.

The same can be said about the huge amounts of money received by Ghana in development aid over the last decades. Not doubting that development aid has contributed to the growth of the Ghanaian economy through the support for the social sectors such as health and education and infrastructure development, it must at the same time be acknowledged that aid conditionalities such trade liberalisation and mass lay-off of public sector reforms have had negative impact on employment Ghana. The most recent report on poverty trends in Ghana, published by the Ghana Statistical Service (2007), shows that just about one million Ghanaians were lifted out of poverty in the last 5 years. This works out to about 68,000 people per year in spite of the growth of the GDP during that period.

It is clear that the strategy for growth has not been pro-poor mainly because it is not pro-employment. But economic growth that is not generated from higher levels of employment and incomes for the majority of the people cannot be pro-poor because the benefits of the growth cannot be distributed equitably. In other words, the only way growth can be shared equitably is through the creation of

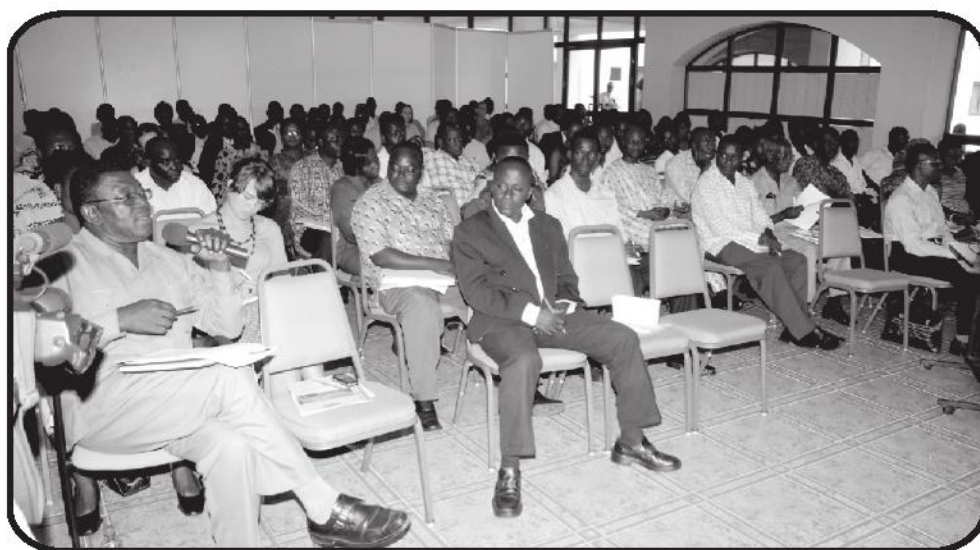
employment for the majority of people.

Conclusion

Employment is a crucial link between growth at the macro level and poverty reduction. This link is slowly being acknowledged as in the case of Ghana's GPRS II. Having acknowledged the importance of job creation as the most effective catalyst for poverty reduction and for a more sustainable development, the real challenge for Ghana is to create more and better jobs for its people.

The international development discourse still emphasizes the importance macroeconomic stability and market-led growth. Within the neo-liberal framework, employment is generally seen as by-product of this market-led growth with little or no role for the government beside educating people and keeping them healthy. The market-led growth may create some jobs but these are likely to benefit only a few privileged people in society at the expense of the unskilled majority many of whom are women and young people.

The PD as it stands now is seen as a non-political project. But in so far it is not dealing with aid conditionalities and the policies imposed on the recipient countries by the donors, a section of civil society will continue to see it as a political declaration being used to harmonise the foreign policies of the economically advanced countries in the West. Through the PD and with the support of the IFIs donor countries can comfortably continue to force poor countries in Africa and elsewhere to conform to neo-liberal economic policies consistent with the free market ideology.



Cross-Section of Participants at CSO workshop

Akropong and Pomadze farms were mentioned as two of the large scale firms that have been closed down. Almost all the enterprises in the poultry industry are currently operating below capacity because they cannot compete with the imported DOCs. There is a huge potential for the production of DOCs in Ghana. It is estimated that 45 million DOCs can be produced countrywide but only 12 million are currently being produced.

The following quotations are sampled views of the management of the selected enterprises about the trade liberalisation policies:

We are unable to compete with the imported poultry products because the conditions under which we produce are not the same. While we get no subsidies from our government our counterparts in the developed countries get a lot of subsidies from their governments and import tariffs [on poultry products] are so low that it is easier and cheaper for one to import poultry than to buy the locally produced ones. Some poultry farmers have folded up while others have reduced the sizes of their farms. Production levels have reduced substantially since the mid 1980s. We were producing a lot of table eggs and broilers. Even though our production level was quite high we could still not meet the market demands so we were forced to expand the sizes of the farms every year with branches at different parts of the country. But from the late 1980s to the 1990s, we started laying off our workers and closing down some of the branches and some sections of the farms. The downward trend continues. It gets worse in February/March (the period after Christmas).

The liberalized economy has brought unhealthy competition between us and our counterparts in the developed world. The policy has affected us negatively. Our hatchery has the capacity to hatch 120,000 DOCs per day. Since people started importing DOCs, the demand for the locally produced DOCs went down so low that now we are producing only 20,000 birds for people who still keep faith with us. The fact of the matter is that the price of our DOCs is about twice the price of those imported, so naturally farmers will go in for the imported DOCs. The irony is that, even for our higher prices, we barely make profit or break even. The production cost [in Ghana] is just too high.

Our production levels have reduced so much. For instance, in the early 1980s we could sell over 1,000,000 broilers during Christmas. And we were noted for producing best quality table eggs. But now the story is totally different. We had to struggle to sell just about 200,000 broilers and old layers during the last Christmas [December 2007]. Our customers are always complaining about the quality of the table eggs, some say they easily break (soft shell) and others say the eggs are too small. All of that can be attributed to the quality of the drugs and feed we give to the birds. Due to the high cost of inputs, we are compelled to buy inferior ones sometimes or skip some routine medications.

Most poultry farms are producing far below capacity, others have closed down completely because they can't stand the competition.

Our production levels have reduced so much. When I started the farm I was producing at full capacity. I was producing 70,000 to 75,000 broilers per month. But now we can only manage some 35,000. The phenomenon has forced us to divert into food crop production which is now giving us more income than the poultry.

The [trade liberalization] policy is killing the [poultry] industry. It brings about competition, and high cost of production. There is a lot of uncertainty in the system. There are times we get good market especially for the eggs and DOCs even though the prices are very low considering the cost of

Approach and data collection

The case study in the poultry sector involved four commercial farms in and around Kumasi - Darko Farms, Asare Farms, Mfum Farms and Asamoah & Yamoah Farms. All the four enterprises were established over 20 years ago. The age of the enterprises allowed a comparative analysis of the different periods – pre-liberalisation and post-liberalisation periods. Table 2 below shows the firms and the dates they were established.

Table 2: Enterprises covered by the study and the dates they were established

Name of enterprise	Date established
Darko Farms	1967
Asamoah & Yamoah Farms	1975
Mfum Farms	1978
Asare Farms	1982

Source: Enterprises

Information on their operations was gathered through personal interviews conducted with management representatives of the enterprises. As in the study on the food crop sector discussed in Part 3, an interview guide was designed to serve as basis of the discussion/interviews. The discussions/interviews covered broad issues such as the effects of the trade liberalisation on their operations generally and the effects on employment, incomes (profits for the entrepreneurs and wages and related benefits for workers). Generally, data on the various issues were not available to support some of the claims. In cases where there were some data they were very limited in terms of the period they cover. This was particularly so for data on employment, wages, sales and profits. The following sections are based on the limited information we gathered from the four enterprises (see Appendix for the interview Guide). To make up for the lack of data, we quote the interviewees extensively in the report.

Findings

Output of the poultry industry

All the five farms involved in this study mentioned that trade liberalisation policy is a major concern to them because their products cannot compete with the heavily-subsidised poultry products from the EU and other countries. Imported chicken is usually in the form of processed ready-to-use parts which are selling at less than half the price of the local poultry products. Some importers are actually importing day old chicks (DOCs) which is posing a great challenge to the local farms producing DOCs. A number of medium to large scale enterprises in the poultry industry have closed down.

Part 3

Aid and Employment in the Food Crop Sector: The Case of the ADRA Ghana)/USAID Food for Peace Programme in the Northern Region of Ghana

Introduction

The case study of the ADRA/USAID-funded Food for Peace Programme project was undertaken with the objective of establishing the relationship between aid and employment in the food crop sector. As mentioned in the introductory part of this report, the ADRA-Ghana receives over US\$4 million in the form of food aid from the USAID under its Food for Peace Programme which aims at reducing poverty in rural areas. Under the programme wheat is imported and sold in Ghana. The proceeds from the sales are used by ADRA-Ghana to train farmers in selected communities in Ghana to improve agricultural practices. ADRA also provides credit and seedlings for orchards and reforestation. ADRA also helps the beneficiary communities to rehabilitate roads that improve access to market centres ADRA also supports the communities to provide potable water and sanitation facilities.

In the following sections, we assess the extent to which this apparently successful aid programme contributed to the creation of employment in the selected beneficiary communities in the Northern Region of Ghana.

Data

As mentioned earlier in the report, the qualitative approach was adopted for this study. First, initial background information on the programme was gathered through interviews with officials at the ADRA-Ghana headquarters in Accra as well as from documents obtained from the head office. On the basis of that information an interview guide/questionnaire for interviews in the beneficiaries was designed. That instrument then served as basis for the personal interviews and focus group discussions conducted in the selected beneficiary communities in February 2008. The main issues discussed with the beneficiary communities and individuals included the impact on local employment, greatest achievements, major constraints and measures for sustainability of project benefits (see Appendix A for details of the Interview Guide). Some information was also gathered through direct observation and recorded evidence of the effect of the project in the communities.

The ADRA-Ghana Programme Officer in the Northern Region was the first official to be contacted interviewed in Tamale (the regional capital) on the project in the region. He made available the list of all 66 project beneficiary communities in the region, from which a sample of five communities was selected for interviews, group discussions and direct observation. The five communities were Tindan, Kpilo, Kamonayili, Kpalbusi and Kpachelo. The interviews were facilitated by the Programme Officer. Interviews were conducted in vernacular.

Project Background

The ADRA/USAID-funded programme in the Northern Region was a food security project. This was an integrated project meant to ensure that the beneficiary communities develop the capacity to produce food in the right quantity and quality to meet all their food needs and/or to access food either through purchasing or trading what they had for what they do not have. The ultimate objective was to improve the nutritional status of the people in the communities.

According to the Programme Officer in charge of the Northern Region, the target beneficiaries of the project were what he described as "resource-poor" farmers in the coastal, savannah, forest and transition areas across the entire country. All those interviewed saw the project as an aid package to help rural communities improve upon their farming activities to achieve improved food production, higher income levels, and better standard of living by ensuring food security in the communities.

Project Implementation and Funding

The project was implemented in two phases. The first phase was implemented from 1996 to 2001, and the second phase from 2002 to 2006. Three of the beneficiary communities covered in the study had been part of the entire 10 year project life, while two communities were brought in the second phase.

It was well known in all the beneficiary communities that funds for the project came from USAID, a funding agency of the US Government. ADRA served as the implementing agency. According to the Programme Officer in charge of the Northern Region, the project was extended by one more year, to September 2007, for "winding up".

In terms of expenditure on the project, an amount of approximately US\$ 600,000 was spent on direct inputs supply for the period 2002 to 2006 and for training, according to the Programme Officer. ADRA-Ghana provided input credit, tractor services and paid for the training and education services. ADRA also shared the cost of construction of toilets (VIPs) and soakways with the beneficiary households. Bullock, carts and seedlings were provided under the programme as part of

Part 4

Aid and Employment in the Livestock Sector: The Case of the Poultry Industry

Background

As mentioned in the introductory part (Part 1) of this report, large scale commercial poultry farming started in Ghana in the late 1960s after two decades had evolved into a profitable sector employing thousands of people across the country, in particular in around urban centres because the marketing advantages there. The sector had the capacity to supply almost all the local demand for chicken and egg. In 1992, for example, 95 percent of all the poultry products consumed in Ghana were supplied from the local poultry farms. Ten years after, in 2002, the share of local poultry in the total consumption of poultry in Ghana had reduced to just about 10 percent. It is estimated that, today, the share of domestic poultry industry in the total amount of poultry consumed in Ghana is as low as 5 percent.

The source of the drastic decline in the local industry share in the market for poultry is traced to the trade liberalization policy which allows the unlimited importation of highly subsidized poultry products from Europe and elsewhere into the Ghanaian market. As mentioned earlier in the report, Ghana imported 26,000 tonnes of chicken mostly from the European Union in 2002. The figure almost doubled to 40,000 tonnes two years later (in 2004). It is estimated that over 400,000 small-scale farmers have been forced to close their enterprises because they cannot compete with the heavily-subsidised imports from Europe and elsewhere. According to the Ministry of Agriculture (MOFA), the 2003 census estimated the number of birds in Ghana to be 14,000,000. An earlier census conducted seven years earlier in 1996 put the number of birds at 14,600,000. Clearly, the poultry industry is gradually but surely grinding to a halt if the trade liberalisation policy is not reversed. The decline in output in the poultry industry has had negative rippling effects on maize farmers, soya bean farmers and on the sectors that have linkages with the poultry sector.

As pointed out earlier in this report, trade liberalisation was one of the numerous conditionalities that were attached to official aid to given to Ghana during the structural adjustment programme. In the following sections, we assess the effects of trade liberalisation on the operations of five commercial farms in and around Kumasi focusing on the effects on employment and incomes.

reduced poverty in the selected communities (even if it was a period). The aim of the project (poverty reduction), the focus (food security) and the target (crop farmers in rural communities) were right. In particular, targeting poor farmers in the northern part of the country was a good strategy for poverty reduction since that region has the highest incidence of poverty in Ghana.

Lastly, the intermediary role played by ADRA-Ghana is worthy of note as work towards making aid more development effective. The project was so successful partly because of the experience of ADRA in aid and community development in Ghana. The positive intermediary role of ADRA in this project confirms the general view within the CSOs community that poverty reduction projects that involve community-based NGOs are likely to be more successful because they work directly and on a daily basis with the target group.

the aid package to the beneficiary communities.

On the average each direct beneficiary farmer received aid in a form of inputs worth US\$100 per year. For instance, one community mentioned that they were provided with 14 bulls supplied for the bullock ploughing, 20 VIPs and soakaways in addition to the training on hygiene, sanitation and nutrition and farming they received during the life of the project.

Project Activities

The project activities covered agriculture, natural resource management, health (malaria, nutrition, HIV/AIDS, and health education) and water and sanitation. It involved among other activities, the provision of potable water (mainly hand-dug wells and boreholes), household ventilated improved pit-latrines [VIPs], soakaways, and education on health, water and sanitation.

For food crop production, beneficiary communities were provided with input credit such as improved maize and soya beans seeds, cashew and mango seedlings for agro-forestry, fertiliser, tractor services and bullock facilities. For improved storage and marketing after harvesting, beneficiary households were provided with mud silos. Corn mills and other machines were provided for food processing to improve value addition to their produce. Through collaboration with the Ministry of Food and Agriculture (MOFA), the project trained the beneficiaries on planting, fertilizer application and other food production techniques.

Under the natural resource management activities, beneficiary communities received tree seedlings for woodlots as fuel wood and for income to buy food, and advised to avoid indiscriminate cutting of trees.

Under the health component of the project, the Ministry of Health (MOH) trained selected beneficiary community members, called the Health and Agric Trainers (HATS). There were also training workshops for other community members on HIV/AIDS. Environmental health officers visited communities to ensure that they maintain health and hygiene. As part of the scheme to improve nutrition, there were cooking demonstrations on how to improve protein and other nutrients in diets. As a means of improving malnutrition among children beneficiary community members were educated on how soya bean and moringa can improve children's diet.

In all selected beneficiary communities there was evidence of these activities and the benefits of the project.

Project Beneficiaries

According to the Programme Officer, 66 communities benefited from the project in the Northern Region (see appendix B for the list). ADRA Ghana collaborated with MOFA, District Assemblies and other stakeholders to help select "resource-poor" farmers in the selected communities with the cooperation of the community/village chiefs using agreed selection criteria. It was agreed that between 30 and 20 percent of the beneficiaries should be women. Interested individuals who were mainly representatives of those households were vetted by the chiefs and leaders in the community to constitute the groups.

In the entire Northern Region, a total of 4,400 individuals benefited directly from the project in the 66 communities - 2000 in the first phase and 2400 in the second phase. These individuals were in groups of sizes between 20 to 25 people. In the five communities selected for the study a total of 183 individuals benefited directly.

The distribution of the beneficiaries in the five communities is shown in Table 1 (below).

Distribution of Direct Project Beneficiaries

Name of Community	Number of Beneficiaries	Phase 1 1996 - 2001	Phase 2 2002 - 2006
Tindana	45	20	25
Kpilo	40	20	20
Kpachelo	50	25	25
Kamonayili	25	-	25
Kpalbusi	23	-	23
Total	183	65	118

Source: ADRA-Ghana Office, Tamale

Project Benefits

A visit to the ADRA Ghana's food security project beneficiary communities revealed an overwhelming physical evidence of the direct benefits. They included facilities such as VIPs, mud silos, woodlots (especially in public schools), bullocks for ploughing and carts, wells and boreholes.

Since farming is the major economic activities in the beneficiary communities, the training and planting techniques, organic fertilisation (composite making) and tractor services had helped a lot on food crop production. Also inputs such as fertiliser, improved seeds, and seedlings for agro-forestry (cashew, mango and moringa) provided to direct beneficiaries boosted their productivity. Farmers also had mud silos built for the storage of farm produce in their houses.

new farming and marketing skills for farmers in the communities, improved sanitation, water and storage facilities in the communities. The introduction of new crops such as soya bean, moringa, cashew, and mangos were additional benefits of the project. Together, these project activities improved food security and helped to reduce poverty significantly.

Many lessons can be learnt from this project. The first lesson is the focus on food security as a means of reducing poverty. In Ghana, people spend the average of 60 percent of their incomes on food. The figure is higher in the rural areas. Therefore, any project that targets food security is more likely to make stronger impact on poverty reduction. The second lesson that can be learnt from the project is the credit that was given to the farmers in the form of farming inputs. The farmers confirmed that if they had received the credit in money, they might have used it for other purposes which would have defeated the project objective of food security. Or they could have purchased inputs of inferior quality which would have reduced their outputs compared to what they achieved with the input credits. The food aid and the timeliness in which it was delivered were commended by the beneficiaries. Supplying food to rural communities in hunger seasons was indeed commendable because it is well known that poverty increases during the planting seasons because many people do not have access to sufficient quantity and quality of food during such seasons.

Some of the beneficiaries would have wished that the food that was supplied under the food aid programme was produced locally. Also, all those interviewed, including the Project Coordinator in the region, would have wished that the project had a longer lifespan than 10 years and that more individuals and communities could benefit from the project. They would also have wished that irrigation was part of the project so that they could farm all year round.

These shortcomings notwithstanding, the beneficiaries of the project were generally of the view that the project was extremely successful for the reasons explained in this report.

At the time of the study, USAID had stopped funding and the project had ended. The Programme Officer explained that ADRA-Ghana would have wished to continue the project for a longer period and to expand it to benefit more individuals and communities. But given the difficulties in fundraising, the Project Officer could not confirm whether or not ADRA-Ghana will continue and/or expand the project.

From the foregoing, it is clear that this form of aid is development effective in the sense that it helped

Sustainability of Project Benefits

The sustainability of the benefits of a project after its closure is crucial especially when the project aims at poverty reduction. The Project Officer explained that the beneficiary communities have been linked to other stakeholders like the Ministries of Food and Agriculture, Ministry of Health and Community Water and Sanitation Agency who would hopefully continue with the training to ensure that farmers continue to adopt the appropriate technologies and practices.

With regards to maintenance of the amenities provided to the community, the Project Officer explained that the skills and training the communities have received are enough to manage and sustain them. One interviewee supported this view and explained further that "...the improved methods of storage with the mud silos will be with us forever as we now know how to build them and properly store our foods". The woodlots and the agro-forestry projects such as the cashew and mango plantations were also mentioned as activities whose benefits will be sustained for a long time. The farmers also mentioned the training the received in marketing of farm produce, especially the link the project has established between the communities and BOSBELL (the Soya bean processing company), will ensure continuous generation of income for them.

Conclusion

The ADRA/USAID-funded project in the Northern Region was an aid programme whose aim was reduce poverty and to improve the living standards of people in rural communities through food security. This was to be achieved through support for small-scale farmers in 66 communities across the regions. The project spanned a period ten years between 1996 and 2006. Project activities were implemented in two phases - Phase 1 (1996 to 2001) and Phase 2 (2002 to 2006).

The project involved the provision of credit (in a form of farm inputs), food aid, skill development and training in farming, storage and marketing of farm produce as well as upgrading and provision of water and sanitation facilities in the selected communities.

Our analysis, based on the information gathered from five of the beneficiary communities, shows that the project was highly successful. First, the project provided poor people in the selected communities with jobs which meant that they could participate in economic activities. Second, it increased the output of the farmers. Third, the surplus yield meant the farmers could sell part of their produce which led to higher incomes. Fourth, the food aid allowed the farmers to increase their yield because they did not have sell or consume their seeds meant for planting. Other benefits include the higher and

Some of the individual beneficiaries mentioned improvement in their nutrition, especially in the reduction of malnutrition among their children, through the food aid and training they received on food processing under the project. Generally, the communities benefited from the hygiene and sanitation component of the project through the provision of VIP toilets and Soakaways in their houses. Some houses had changed their roofing from thatch to zinc roofs as a result of improvement in income levels from the project implementation. Also all community members were drinking from wells provided by the project.

As one community leader put it;

"We are now food secured to the extent that we had surplus to sell to traders; the community have more food to meet our needs. Our improved income made it possible for us to purchase zinc to roof our houses. Our children also received improved health care by way of growth monitoring and nutrition through the provision of food and supplement aid."

Another community explained that:

"Seven individuals benefited from bullocks. We also received food aid in the form of wheat and yellow corn flour. The community now has 21 VIP toilets. We have improved production through training in farming."

The project helped in checking one particular health menace in one community. A member of the community explained that

"...there is improved check on guinea worm, because of the health education and provision of water."

Others observed that the project benefited the entire community through the establishment of agro-forest (woodlot), and making available tools such as rakes, pick-axes and a bullock cart. They noted further that

"...above all one particular benefit that will be with us forever is the improved farming techniques we have acquired through training under this project. This has helped in increasing agricultural productivity in the whole community."

With regard to food security, there is no doubt that project has contributed to the improvement of food security in the beneficiary communities. According to the Programme Officer, a baseline study before the implementation revealed that there was 5 to 6 months (even in some areas 7 months) food

shortage in the region. The food shortage period has now reduced to less than two months thanks to the project. As revealed by one community member; "It has helped a lot in our farming; we are not hungry any more as we are able to improve upon our farming activities."

All the five communities covered by the confirmed that due to effective pest and disease control and with the improved mud silos, they are now able to have food all year round and they had started getting surpluses. Also there was improved productivity through techniques such as planting in rows and the supply and application of fertilizers on their farms. Through the improved methods such as the right application of fertilizers and the observance of the right farming practices from the project, beneficiary communities now enjoyed considerable improvement in yields. Besides, the project had introduced different nutritious food such as moringa and soya beans.



Dr. Yaw Graham of Third World Network

Interviewees in all the beneficiary communities mentioned that they have developed their skills in farming and that they are now employed throughout the year, thanks to the project. Specific skills acquired include planting in rows, right application of fertilisers, preparation of composite and soil fertility management in general. They also mentioned other skills such as the efficient use of bullocks for ploughing, land preparation, planting and harvesting, cultivation of soya beans and storage of farm produce.

Under the hygiene and sanitation component, the communities acquired skills waste disposal with special reference to liquid waste. This has helped in the prevention of malaria and diarrhoea. They communities also acquired skills in the construction of soakaways and toilets.

Under the health and nutrition component, the communities acquired improved skills on preparation of food, and the use of moringa as nutritional supplements. They also acquired skills to monitor the

inputs to their farms after they have been supplied to them in their villages.

But generally all the five communities and the project officers expressed their satisfaction with the implementation of the project. When asked why they were so satisfied with the management and implementation of the project, the communities mentioned consultation, training and the general support they received from ADRA-Ghana in the course of the project.

In a group discussion, members of one of the beneficiary communities said *"Because of this project, children, men and women in this community know ADRA very well."* Other community members wished that *"ADRA could link us up to other organisations that could offer similar aid. ADRA Ghana has proven integrity in the project implementation; they were on time in the delivery of aid."*

Project areas that needed improvement

In both personal interviews and group discussions the beneficiaries were asked to suggest areas of the project where there was room for improvement. Many of them were of the view that project life of five years should have been longer. The Project Officer supported this view and explained further that project was designed to help the poor in the communities and so it should have been around a bit longer to enable beneficiary communities to build enough reserves to contain any unforeseen shock.

It was also suggested that irrigation should have formed part of the project. According to the beneficiaries, if irrigation had been part of the project, they could have farmed all year round and the yield could have been much better than they achieved without irrigation.

As mentioned earlier in the report, the average input credit per beneficiary was worth about GH[~]100. Some of the beneficiaries suggested that this was inadequate and that it should have been higher to enable them expand their farms and to benefit fully from the training they received in farming.

Some of them also thought the project paid too much attention to food crops and that it should have included livestock farming. The reason is that in the event of crop failure they could fall on their livestock.

money rather than the inputs, the project beneficiaries were, generally, of the view that they preferred the inputs because credit that comes in a form of money could be used for other purposes which may have nothing or very little to do with food security or they could use the money to buy cheap inputs which would not produced the yield they achieved from the inputs supplied directly by the project.

Gender Considerations

The project was gender sensitive in the sense that, ADRA officials ensured that each group had at least 40% women. Generally, women in the communities do have access to farm lands. The general perception in the five communities was that the project benefited men and women equally. Gender equality was demonstrated in all the project training activities, according to the Programme officer.

Some of the interviewees were of the view that the project benefited women more than men as shown in the following statement:

"...initially at meetings, the women were not visible, but now they contribute. The women have benefited more with more food and water in the house. It has reduced their burden. Education on hygiene and sanitation has reduced malaria and child malnutrition, and this has also reduced the burden on women."

This assertion is understandable especially when seen against the background that most household chores are the responsibility of women. The availability of water in the community, for example, reduced the time and burden of fetching water from streams and ponds which are usually far away from the community.

Major Constraints

According to the Project Coordinator the major constraints the project faced related to the erratic weather conditions such as late rainfall or excessive rains and floods as well as bush fires. The late rainfall was particularly problematic because irrigation did not form part of the project activities. Rain failure therefore affected farming and consequently the repayment of loans which was paid in a form of farm produce.

Challenges related to post-harvest management and the marketing of excess produce after the repayment of loans were also mentioned by some beneficiaries. Other constraints were the inability of beneficiaries to strictly follow the prescriptions of the project, especially with regards to the farming practices. This also resulted in repayment difficulties. Others had difficulties with transporting the

growth of children and checking of malnutrition among them. Environmental management and preservation skills were acquired under the agro-forestry component in the form of establishment of nursery, woodlots and tree-cropping.

Another important skills acquired through this project include marketing through the use of market information boards. There was also evidence of improved communication and leadership skills among beneficiary groups in the communities.

Impact of Project on Employment

According to the Programme Officer in the Northern Region, the food security project has reduced the migration of youth in the communities. In the Northern Region alone the project supported 2000 farmers directly. Thirty of those trained under the project are now fully engaged in the construction of mud silos as for their livelihood. Some of those with the construction skills have been employed by NGOs that are working their communities. 93 people are currently fully engaged in the nursing of seedlings; 60 people are engaged in bullock ploughing. At least three corn mill enterprises have been established and being operated by some of the project beneficiaries and a good number of women are fully engaged in retail trading as a result of the increase agricultural production.

A number of the interviewees mentioned the benefits associated with the introduction of cash crops in their communities. One of the beneficiaries expressed her appreciation of the project as follows:

"...a lot of us lost hope that the degraded land could support farming and so we abandoned farming. But with the support of the project a lot of people went back to farming as it became more lucrative. A lot of young people were migrating out of the village as farming was no more attractive, but with the implementation of the project they are coming back."

Another beneficiary observed that "...the number of jobs created indirectly by this project cannot be estimated, however, we can say that the project has contributed immensely to the creation of jobs in this community. Especially the farming of soya beans was introduced by the project."

The introduction of soya beans, moringa, cashew, mango, was mentioned as a very important aspect of the project. The high yields of these crops have promoted trading in agricultural produce.

There was no substantial evidence of the negative impact of the project on local employment, as the situation on the ground strongly pointed to more benefits from the project than losses. All the communities were indeed emphatic that the project did not negatively affect local employment. They explicitly stated that the provision of farm inputs and other needs by the project rather provided them jobs. As one community member indicated;

"We don't think the project negatively affected local employment. It rather enhanced the employment by keeping farmers active in production."

With regard to the potential effect of the food aid component of the project, we found no evidence to support the belief that it could negatively affect local employment. This is because the food imported under the project was not the kind that is produced in those communities. The purpose of the food aid, according to the Coordinator, was to ensure that there was sufficient food in the communities during the farming season, a period characterised by severe food shortages and it was not sold on the open market. The following statements reflect the perception of those interviewed in the communities:

"...the food aid never distorted our marketing, because the project provided wheat which is not produced here. Again they gave us the food during the hunger period, when there was shortage of food here. So the food aid actually supported us a source of energy in our farming."

"... the food aid comes when we need food to eat, a gift meant for providing us with the strength to farm, mostly during the planting season when we did not have food. It is not the kind of food we produce here, and was not sold here, let alone distorts the local market by competing with the local produce on the market."

Impact on Income and Poverty Reduction

According to the Programme Officer, it was a fact that farmers in the project communities could not meet their food and nutritional requirements prior to the project. He recalled that *"initially they [the farmers] were harvesting 2 to 3 bags of maize per acre, but now they were getting an average of 7 bags per acre, and even in some communities they get as much as 15 bags per acre"*. With the higher yield, the poverty has reduced significantly in the community. However, he acknowledged that it is difficult to quantify the effects of the project on incomes and poverty.

The following statements show the perception within the communities about the project's impact on poverty reduction:

"It was not easy for us to acquire farm inputs, but with the project we had access to farm inputs, we had improved production techniques, all resulting in increased productivity that made food available for consumption and for income to meet other needs."

"[The project] has helped a lot, because being well fed means a considerable reduction in poverty. With improved farming techniques, we do not use much input like fertilizer to have high yields. With the establishment of woodlots, we no longer have the problem of the lack of access to fuel wood. We also harvest from the tree-crops to sell, especially the moringa."

"High yields for us farmers, means we could sell the excess. The cash crops introduced by the project also generated income for us. Food is very important in fighting poverty, so the availability of food is an important case of poverty reduction in our community"

"...now we have increased production, food security and higher income. We use the additional income to meet other need such as taking care of children's education and health. We are now able to invest in livestock production"

There were positive comments about fuel wood from the woodlot which, according those interviewed, they can now use or sell. The improvement in the marketing of their farm produce was also mentioned as one of the benefits from the project. For instance, they mentioned the link that has been established between the farmers and a Soya bean processing company through the project.

In sum, there were signs of improvement in the standard of living and poverty reduction in the communities as a result of the high yield and higher income, thanks to the project.

According to those in the interviewed in all the five communities, the food aid component of the project was properly managed in the sense that food was provided to the communities during hunger seasons when there was no food. The timeliness of the food aid was particularly useful because it prevented the farmers from selling or eating their seeds. That partly explains why their yields increased substantially during the project period.

A few of the individuals interviewed would have preferred that the food supplied was produced locally and that the food could be cultivated locally. But generally the food aid scheme was seen as beneficial in the sense that *"it was good for us and for our children and it came at the right time when it was needed most"*.

In response to a question on whether it would not have been better to give the credit in a form of