

## 5. Economic Differentiation

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# 5

## Economic Differentiation

This chapter examines the structure of economic inequality in the study villages. The analysis focuses on two points. First is the relationship between individual economic status and access to and control over land and labor. Farmer rights to land and the way to procure labor for cocoa production are correlated with the existing economic inequality. The direction of changes in the structure of economic inequality is also related to the local institutions such as indigenous land tenure systems and various agrarian contracts. The primary objective of this chapter, therefore, is to examine the relationships between the differing economic status of individual farmers and the local institution related to land and labor.

The second point is the relationship between sociocultural factors, such as gender and villager life cycles, and economic inequality. Economic status changes with the stages of an individual farmer's life cycles. Such change is also related to the gender-differentiated access to and control over productive resources. As a result, some qualitative differences can be observed in the future potentials for farmers to improve their economic status, depending on their gender and age. By relating the analysis of economic inequality to gender and farmer life cycle, it becomes possible to shed light on the diversity of economic status of farmers and the direction of change in the structure of economic inequality.

The chapter is organized as follows. Section I explains the method adopted to extract the structure of economic inequalities in the study villages. This is

followed by the examination of the relationship between economic inequality and rights to productive resources (land and labor). The direction of changes in the structure of economic inequality is then discussed. The concluding section provides a brief summary of the findings of this chapter.

## **I. Wealth Ranking**

The method adopted to identify the structure of economic inequalities in this study is that of “wealth ranking” (Grandin 1988). Wealth ranking is a simple field research technique through which the relative wealth status of villagers in specific communities is extracted, based on the judgment of three or four members of the community. This method had been used in previous academic studies (DeWalt 1979; Hill 1972; IIED 1992; Scoones 1995) to identify the economic status of households in a particular community. The effectiveness of this method in revealing economic inequality has also been demonstrated (Adams et al. 1997).

The structure of economic inequality in villages can also be extracted by various other methods. Some scholars use a few indicators that are important in a village economy (such as distribution of landholdings and output of agricultural products) as the criteria of villagers’ economic status (Konings 1986). Others adopt the method of “possession score” in which the type and quantity of consumer goods held are used to identify the economic status of households (Sender and Smith 1990; Pincus 1996). Detailed household budget survey can also be used to examine the economic status of each household. Instead of these methods, the present study adopted the wealth-ranking method for the following three reasons.

First is its simplicity. By using wealth ranking, a researcher can easily extract the structure of economic inequality in a short period. In contrast, conducting detailed household budget surveys requires much more time and resources. A household budget survey has a strong advantage over other methods because it can reveal the economic inequalities among villagers in absolute terms, which makes it possible to compare the individual economic status of different villages. Wealth ranking, on the other hand, only reveals relative differences in villager wealth status. In other words, it is not possible to compare the economic status of farmers in different villages on the basis of the ranks extracted by the wealth-ranking method. This is a major disadvantage of the method. However, the aim of the present study is not to compare the economic status of farmers in quantitative terms, but to identify the qualitative differences that affect farmers’ economic status. Given the time and resource constraints of the survey, the advantage of

wealth ranking in its simplicity outweighed its disadvantage.

Second, information obtained from the long-term residents of the villages can reduce the bias in the information collected by outsiders who stay only in the village itself for a short period in a particular year. For example, the data on agricultural output or income for a particular year may not be adequate in assessing a farmer's economic status, because he or she may have a high economic status but may be suffering from contingencies such as sickness or crop diseases in that particular year. Similarly, if the data relies only on agricultural output or landholdings, the economic status of a resident who attains high economic position by means of nonfarm economic activities cannot be adequately assessed. By relying on the judgments of long-term residents, the wealth-ranking method can correct for these biases through the incorporation of valuable knowledge of residents that cannot be easily obtained by outsiders in a short-term survey.

Third, by using residents familiar with the village's situation as the source of information, it is possible to take into consideration economic activities outside the village. Many residents in the study villages are migrants who intend ultimately to return to their hometowns. They therefore tend to invest income gained from cocoa production in activities outside their villages such as house construction in their hometowns and higher education for their children. The "possession score" method, which uses data on types and quantities of consumer goods processed in the village, may not adequately reflect a farmer's economic status given the tendency not to remain permanently in the study villages. In wealth-ranking methods, economic activities that are not seen within the villages can be taken into account to a greater degree by using, as the source of information, villagers who know the situation in the hometowns of individual residents and the circumstances of their children.

A problem with wealth ranking is whether the informants selected have enough knowledge of other villagers' financial conditions. This was a serious problem for the study villages where most of the residents are migrants from different areas. To overcome the problem of insufficient knowledge, three to four informants were selected based on the following three conditions: (1) they had resided in the village for more than ten years and had sufficient knowledge of individual villager circumstances; (2) there was no significant imbalances in gender and age among the informants; and (3) their hometowns were not concentrated in particular areas.

The procedure for extracting the structure of economic inequalities using the wealth-ranking method followed that used by Grandin (1988) and IIED (1992). Classification of villagers by wealth ranking was conducted on an individual basis, given the fact that the unit of production and income man-

TABLE 5-1  
WEALTH RANKING OF VILLAGERS

	(No. of persons)					
	<i>Rich</i> Rank 1	← Rank 2	Rank 3	Rank 4	→ <i>Poor</i> Rank 5	Total
<hr/>						
Bepoase						
Male	7	10	11	11	16	55
Female	0	5	10	7	10	32
Total	7	15	21	18	26	87
<hr style="border-top: 1px dotted black;"/>						
Nagore						
Male	9	2	26	28	25	90
Female	1	6	10	25	19	61
Total	10	8	36	53	44	151
<hr style="border-top: 1px dotted black;"/>						
Gyaha						
Male	16	22	54	26	10	128
Female	1	11	47	30	16	105
Total	17	33	101	56	26	233

agement in rural southern Ghana, as explained in Chapter 4, is the individual. The results of the wealth-ranking survey are shown in Table 5-1. The following section analyzes the relationship between the economic status of farmers and their rights to productive resources (land and labor).

## II. Land, Labor, and Economic Differentiation

In this section, the structure of economic inequality as extracted by the wealth-ranking method is analyzed based on landholding, cocoa yield, agricultural wage labor, landlord-tenant relationship, and nonfarm employment. The analysis reveals the present state of economic inequality as well as factors that cause the inequality. At the same time, the analysis points out the existence of some factors that promote the equalization of wealth status.

### 1. Landholding and Economic Inequality

A close interrelationship can be observed between the wealth rank and landholding (Tables 5-2 through 5-4, with rank 1 being the highest wealth rank). The percentage of landholders among those placed in wealth rank 1 and 2 is higher, and that in wealth rank 5 is lowest. The same trend can also be observed in the scale of landholdings with the average size declining as one moves down the rankings (Tables 5-2 through 5-4). The percentage of farmers holding land of over 10 hectares is highest among those placed in wealth rank

TABLE 5-2  
RELATIONSHIP BETWEEN WEALTH RANKING AND SOCIOECONOMIC INDICATORS: BEPOASE

	Rank 1 (N = 7)	Rank 2 (N = 15)	Rank 3 (N = 21)	Rank 4 (N = 18)	Rank 5 (N = 26)
Average age	58.7	47.9	43.1	39.3	27.3
Average years of schooling	6.4	6.4	6.0	6.7	6.8
Number of land purchasers (excluding land acquisition from traditional chiefs)	1 (14)	0 (0)	3 (14)	0 (0)	0 (0)
Number of landholders <sup>a</sup>	6 (86)	13 (87)	15 (71)	12 (67)	12 (46)
Average score of landholdings <sup>b</sup>	3.9	3.2	2.1	2.5	1.7
Average cocoa yield (bags <sup>c</sup> )	21.0	11.3	3.4	1.9	0.6
Number of cocoa producers	6 (86)	15 (100)	17 (81)	17 (94)	14 (54)
Number of farmers using tenants <sup>d</sup>	5 (71)	1 (7)	3 (14)	3 (17)	0 (0)
Number of tenants <sup>d</sup>	1 (14)	6 (40)	8 (38)	5 (28)	6 (23)
Cases of using wage labor	7 (100)	12 (80)	13 (62)	11 (61)	11 (42)
Cases of engaging in wage labor	0 (0)	0 (0)	3 (14)	7 (39)	16 (62)
Cases of using <i>nnoboa</i>	0 (0)	0 (0)	1 (5)	4 (22)	10 (38)
Cases of employment in the formal sector	3 (43)	3 (20)	2 (9)	1 (6)	0 (0)
Cases of non-farm economic activities in the informal sector	2 (29)	1 (7)	1 (5)	2 (11)	1 (4)
Number of unmarried farmers (single, divorced, bereaved)	0 (0)	3 (20)	6 (29)	13 (72)	12 (46)

Notes: 1. Figures in parentheses are percentages.

2. N = number of farmers in the wealth rank.

<sup>a</sup> Including joint holdings by lineage.

<sup>b</sup> Landholdings are scored as follows: 1 = landless, 2 = under 1ha, 3 = 1–4 ha, 4 = 5–9 ha, 5 = 10 ha or over.

<sup>c</sup> One bag = 64 kg. Figures for share contracts denote tenant share only.

<sup>d</sup> Cocoa share-contract tenants.

TABLE 5-3  
RELATIONSHIP BETWEEN WEALTH RANKING AND SOCIOECONOMIC INDICATORS: NAGORE

	Rank 1 (N = 10)	Rank 2 (N = 8)	Rank 3 (N = 36)	Rank 4 (N = 53)	Rank 5 (N = 44)
Average age	53.6	51.4	44.4	45.0	42.2
Average years of schooling	6.9	3.8	7.4	4.2	3.8
Number of land purchasers (excluding land acquisition from traditional chiefs)	3 (30)	3 (38)	5 (14)	1 (2)	0 (0)
Number of landholders <sup>a</sup>	10 (100)	6 (75)	19 (53)	32 (60)	14 (32)
Average score of landholdings <sup>b</sup>	3.7	3.1	2.1	2.3	1.7
Average cocoa yield (bags <sup>c</sup> )	29.2	13.1	6.8	3.1	1.5
Number of cocoa producers	10 (100)	7 (88)	25 (69)	37 (70)	19 (43)
Number of farmers using tenants <sup>d</sup>	6 (60)	3 (38)	7 (19)	12 (23)	6 (14)
Number of tenants <sup>d</sup>	4 (40)	2 (25)	19 (53)	21 (40)	21 (48)
Cases of using wage labor	9 (90)	8 (100)	25 (69)	34 (64)	21 (48)
Cases of engaging in wage labor	0 (0)	0 (0)	7 (19)	9 (17)	22 (50)
Cases of using <i>nnoboa</i>	0 (0)	0 (0)	9 (25)	14 (26)	19 (43)
Cases of employment in the formal sector	4 (40)	0 (0)	4 (11)	1 (2)	0 (0)
Cases of nonfarm economic activities in the informal sector	1 (10)	1 (13)	0 (0)	3 (6)	1 (2)
Number of unmarried farmers (single, divorced, bereaved)	1 (10)	2 (25)	6 (17)	12 (23)	13 (30)

Notes: 1. Figures in parentheses are percentages.

2. N = number of farmers in the wealth rank.

<sup>a</sup> Including joint holdings by lineage.

<sup>b</sup> Landholdings are scored as follows: 1 = landless, 2 = under 1ha, 3 = 1–4 ha, 4 = 5–9 ha, 5 = 10 ha or over.

<sup>c</sup> One bag = 64 kg. Figures for share contracts denote tenant share only.

<sup>d</sup> Cocoa share-contract tenants.

TABLE 5-4  
RELATIONSHIP BETWEEN WEALTH RANKING AND SOCIOECONOMIC INDICATORS: GYAHA

	Rank 1 (N = 17)	Rank 2 (N = 33)	Rank 3 (N = 101)	Rank 4 (N = 56)	Rank 5 (N = 26)
Average age	53.1	47.1	42.2	36.1	36.5
Average years of schooling	5.1	5.6	5.1	3.8	3.3
Number of land purchasers (excluding land acquisition from traditional chiefs)	5 (29)	1 (3)	3 (3)	0 (0)	0 (0)
Number of landholders <sup>a</sup>	15 (88)	17 (52)	31 (31)	7 (13)	2 (8)
Average score of landholdings <sup>b</sup>	4.3	2.3	1.7	1.2	1.1
Average cocoa yield (bags <sup>c</sup> )	20.3	7.0	5.3	3.7	2.3
Number of cocoa producers	17 (100)	33 (100)	88 (87)	42 (75)	16 (62)
Number of farmers using tenants <sup>d</sup>	9 (53)	5 (15)	7 (7)	2 (4)	1 (4)
Number of tenants <sup>d</sup>	8 (47)	18 (55)	63 (62)	33 (59)	11 (42)
Cases of using wage labor	15 (88)	25 (76)	51 (50)	19 (34)	6 (23)
Cases of engaging in wage labor	1 (6)	1 (3)	10 (10)	16 (29)	10 (38)
Cases of using <i>nnoboa</i>	1 (6)	3 (9)	21 (21)	10 (18)	6 (23)
Cases of employment in the formal sector	2 (12)	6 (18)	4 (4)	1 (2)	0 (0)
Cases of non-farm economic activities in the informal sector	2 (12)	11 (33)	42 (42)	22 (39)	6 (23)
Number of unmarried farmers (single, divorced, bereaved)	2 (12)	2 (6)	12 (12)	18 (32)	11 (42)

Notes: 1. Figures in parentheses are percentages.

2. N = number of farmers in the wealth rank.

<sup>a</sup> Including joint holdings by lineage.

<sup>b</sup> Landholdings are scored as follows: 1 = landless, 2 = under 1ha, 3 = 1–4 ha, 4 = 5–9 ha, 5 = 10 ha or over.

<sup>c</sup> One bag = 64 kg. Figures for share contracts denote tenant share only.

<sup>d</sup> Cocoa share-contract tenants.



TABLE 5-5  
RELATIONSHIP BETWEEN WEALTH RANKING AND LANDHOLDING

	(No. of farmers)				
	Landless	Under 1 Ha	1-4 Ha	5-9 Ha	10 Ha or Over
<b>Bepoase</b>					
Rank 1 ( <i>N</i> = 7)	1 (14)	0 (0)	3 (43)	0 (0)	4 (57)
Rank 2 ( <i>N</i> = 15)	0 (0)	3 (20)	4 (27)	1 (7)	4 (27)
Rank 3 ( <i>N</i> = 21)	6 (29)	8 (38)	5 (24)	0 (0)	1 (5)
Rank 4 ( <i>N</i> = 18)	6 (33)	3 (17)	6 (33)	0 (0)	3 (17)
Rank 5 ( <i>N</i> = 26)	14 (54)	8 (31)	3 (12)	0 (0)	1 (4)
<b>Nagore</b>					
Rank 1 ( <i>N</i> = 10)	0 (0)	0 (0)	6 (60)	1 (10)	3 (30)
Rank 2 ( <i>N</i> = 8)	2 (25)	0 (0)	2 (25)	3 (38)	1 (13)
Rank 3 ( <i>N</i> = 36)	18 (50)	3 (8)	12 (33)	1 (3)	2 (6)
Rank 4 ( <i>N</i> = 53)	21 (40)	4 (8)	19 (36)	7 (13)	1 (2)
Rank 5 ( <i>N</i> = 44)	29 (66)	3 (7)	11 (25)	0 (0)	1 (2)
<b>Gyaha</b>					
Rank 1 ( <i>N</i> = 17)	2 (12)	0 (0)	1 (6)	2 (12)	12 (71)
Rank 2 ( <i>N</i> = 33)	16 (49)	3 (9)	5 (15)	7 (21)	2 (6)
Rank 3 ( <i>N</i> = 101)	70 (69)	7 (7)	16 (16)	4 (4)	4 (4)
Rank 4 ( <i>N</i> = 56)	49 (88)	3 (5)	4 (7)	0 (0)	0 (0)
Rank 5 ( <i>N</i> = 26)	24 (92)	2 (8)	0 (0)	0 (0)	0 (0)

- Notes: 1. Due to the unavailability of data, the total for a rank may not coincide with its *N*.  
2. Figures in parentheses are percentages.

1 (Table 5-5). Likewise, farmers with greater cocoa yield tend to be concentrated in the higher ranks (Table 5-6). Thus there is a definite general trend that farmers in higher ranks tend to hold more land of larger size and enjoy higher cocoa yield than those in lower ranks.

What causes such inequality in the scale of landholdings (and in the resultant cocoa yields) that is closely related to farmer economic status? Is it that wealthy farmers accumulate land by purchasing it from poor farmers, resulting in the polarization of landholdings? Or is the inequality caused by other factors?

It is unlikely that the inequality in the size of landholding is the result of land purchasing by larger landholders from other villagers. There are three reasons for this. First, land purchasing has been infrequent in the study villages (see Chapter 3). Second, the percentage of large landholders (holding more than 10 hectares) who acquired land by purchasing from individuals is zero in Bepoase and Nagore and 29 per cent in Gyaha. This shows that most large landholders do not accumulate land through purchases from other vil-

TABLE 5-6  
RELATIONSHIP BETWEEN WEALTH RANKING AND COCOA YIELD

	(No. of farmers)				
	No Yield	Under 10 Bags	10–19 Bags	20–29 Bags	30 Bags or Over
<b>Bepoase</b>					
Rank 1 ( <i>N</i> = 7)	1 (14)	1 (14)	2 (29)	1 (14)	2 (29)
Rank 2 ( <i>N</i> = 15)	4 (27)	5 (33)	1 (7)	3 (20)	2 (13)
Rank 3 ( <i>N</i> = 21)	9 (43)	10 (48)	1 (5)	1 (5)	0 (0)
Rank 4 ( <i>N</i> = 18)	9 (50)	7 (39)	2 (11)	0 (0)	0 (0)
Rank 5 ( <i>N</i> = 26)	23 (88)	3 (12)	0 (0)	0 (0)	0 (0)
<b>Nagore</b>					
Rank 1 ( <i>N</i> = 10)	1 (10)	2 (20)	2 (20)	1 (1)	4 (40)
Rank 2 ( <i>N</i> = 8)	1 (13)	3 (38)	2 (25)	1 (13)	1 (13)
Rank 3 ( <i>N</i> = 36)	8 (22)	16 (44)	8 (22)	3 (8)	0 (0)
Rank 4 ( <i>N</i> = 53)	19 (36)	30 (57)	3 (57)	1 (2)	0 (0)
Rank 5 ( <i>N</i> = 44)	26 (59)	17 (39)	1 (2)	0 (0)	0 (0)
<b>Gyaha</b>					
Rank 1 ( <i>N</i> = 17)	1 (6)	3 (18)	7 (41)	3 (18)	3 (18)
Rank 2 ( <i>N</i> = 33)	6 (18)	19 (58)	6 (18)	2 (6)	0 (0)
Rank 3 ( <i>N</i> = 101)	34 (34)	51 (50)	14 (14)	2 (2)	0 (0)
Rank 4 ( <i>N</i> = 56)	31 (55)	23 (41)	2 (4)	0 (0)	0 (0)
Rank 5 ( <i>N</i> = 26)	18 (69)	8 (31)	0 (0)	0 (0)	0 (0)

- Notes: 1. Figures for share contracts denote tenant share only.  
 2. Due to the unavailability of data, the total for a rank may not coincide with its *N*.  
 3. Figures in parentheses are percentages.

lagers. Third, those who purchased land have not been limited to farmers in the highest wealth ranks (Tables 5-2 through 5-4). Thus there has not been a process of polarization in which higher-ranking farmers accumulate land through purchases and smaller landholders become landless by selling their land.

The present inequalities in landholding appear to be the results of the concentration of land in a small number of first-generation migrants. Most large landholders and farmers placed in wealth rank 1 are first-generation migrants who in early years acquired large pieces of land directly from the traditional divisional chiefs, or those who have acquired land through gifting or inheritance from first-generation migrants. For instance, of seven farmers in wealth rank 1 in both Bepoase and Nagore who held land of over 10 hectares, five were first-generation migrants who had directly acquired land from the traditional chiefs. The remaining two were a son and a grandson of first-generation migrants. Likewise, of eleven Gyaha farmers in wealth rank 1

holding over 10 hectares of land, seven had acquired their land through gifting or inheritance from relatives who were first-generation migrants.

In recent years there is little uncultivated land left and there are few possibilities of acquiring a large plot of land from the traditional chiefs. Most of the land obtainable directly from the traditional chiefs has been exhausted, and once land is acquired by individuals or lineages, it is rarely transferred to others through purchases. Therefore, whether one can acquire a large piece of land in the future depends primarily on whether his or her relatives are first-generation migrants who acquired a large piece of land.

While there is a close relationship between economic inequality and the scale of landholding in the study villages, there were a few cases of villagers who, though landless, were placed in wealth rank 1. Such villagers fall into two classifications. One was tenants engaged in large-scale farming. A landless tenant in Gyaha, for example, was managing a cocoa farm of over 10 hectares under a *yemayenkye* contract and another farm of over 2 hectares under a *nhwesoo* contract. The combined cocoa yield from these two farms exceeded 1 ton. Another category of landless villagers placed in wealth rank 1 were the purchasing clerks of the Produce Buying Company (PBC). The purchasing clerk in Bepoase, for example, operated a passenger transportation business in his hometown using a mini-bus he owned.

Some people were placed in wealth rank 4 and 5 despite the fact that they held over 10 hectares of land. There were two very different categories of such low-ranking farmers. One was young farmers from rich households. There were four such farmers in Bepoase (three males and one female) who were all unmarried and aged from twenty-six to thirty-one. They had become landholders after 1990 through gifting or inheritance and then started planting cocoa. As their cocoa trees were young, their cocoa yields were virtually zero which placed them in the lower wealth ranks. But these young farmers were able to acquire large pieces of land through gifting or inheritance from first-generation migrants who were in wealth ranks 1 and 2. Although the four young farmers were in the lower wealth ranks as individuals, they were members of wealthy families, and their fathers were all big landholders. Consequently, they are likely to acquire more land through gifting or inheritance from their fathers in the future. In addition, these four young farmers can expect greater income as their cocoa trees mature. Thus although placed in the lower wealth ranks, they will be able to raise their economic position as they progress through the stages of their life cycle. For this reason they can be regarded as the “latent wealthy farmers.”

The second category of large landholders placed in the lower wealth ranks were old female farmers. This was the case of two women in Nagore, aged

fifty-six and sixty-nine. The former woman inherited a piece of land, including a cocoa farm, from her mother in 1990. But as the farm was inadequately managed, it yielded only two bags of cocoa. The latter woman held a cocoa farm received from her husband around 1975. Due to the aging of the trees, she did not get much yield. The two women had two points in common. First, they had to rely on wage labor or tenants to obtain the necessary labor because of their physical weakness and lack of labor in their households. Second, the yields from their cocoa farms were modest because of the inadequate maintenance of the farm. Thus the category of young farmers found in Bepoase and of the old female farmers in Nagore, which were large landholders placed in the lower wealth ranks, differed significantly from each other in their socio-economic characteristics.

In summary, the wealth ranking of the individual farmers is, in general, closely related to the state of their landholdings. Many large landholders in the highest wealth ranks are first-generation migrants who acquired land directly from the traditional chiefs in earlier years. The analysis also revealed that villagers placed in wealth rank 1 included some landless people. Such people were either cocoa-purchasing clerks or tenants who were engaged in large-scale farming operations. The lower wealth ranks included some large-scale landholders. They were either young "latent wealthy farmers" who can expect a rise in their wealth status in the future, or aged female farmers who have little prospect of improving their economic status.

## **2. Use of Labor and Economic Inequality**

A close relationship can also be observed between the wealth ranking of individuals and their labor deployment strategies. The following section discusses this relationship focusing on both the user and the supplier of farm labor (Tables 5-2 through 5-4). It also looks at the relationship between wealth ranks and nonfarm employment.

### **(1) Wealth Ranks and Agricultural Wage Labor**

The percentage of farmers in the study villages who used wage labor (daily-wage and task-contracted labor) was higher among those placed in higher wealth ranks. The larger size of the farms and the greater availability of financial resources among farmers in higher ranks may explain this. This does not mean, however, that the farmers in the lower wealth ranks did not use wage labor. The combined percentage of farmers using wage labor in wealth ranks 4 and 5 stood at 39 per cent. This indicates that some farmers in lower ranks had to compliment their insufficient labor with wage labor, particularly for strength-demanding farm tasks such as tree cutting and weeding.

Another means for farmers to cope with labor shortages is to organize *nnoboa* labor exchange groups. The percentage of farmers using *nnoboa* increased as their wealth ranking went down. *Nnoboa* is used more frequently by poorer farmers because one does not need any cash to obtain needed farm labor. In general, farmers in the higher wealth ranks cope with labor shortages by using wage labor, while those in the lower wealth ranks rely on both wage labor and *nnoboa*.

Among the farmers in the lower wealth ranks using wage labor and *nnoboa*, there is an important difference in labor deployment strategies between male and female farmers. As Table 5-7 shows, male farmers tend to use more *nnoboa* labor while female farmers rely more on wage labor. This is because female farmers cannot obtain male labor through *nnoboa*, for which men and women form separate groups. Farmers need male labor for strength-demanding tasks such as tree felling, and male farmers can obtain the necessary labor for such tasks through *nnoboa*. Female farmers cannot. Consequently, female farmers in the lower wealth ranks who have no other means of procuring male labor, have to rely on wage labor.

There is also an interrelationship between the supplier of wage labor and wealth ranks. The lower the rank, the more farmers are engaged in wage labor. This suggests that farmers in lower wealth ranks are likely to complement

TABLE 5-7  
USE OF AGRICULTURAL WAGE LABOR AND *NNOBOA* BY FARMERS IN RANKS 4 AND 5  
(No. of farmers)

	Male		Female	
Use of agricultural wage labor				
Bepoase	8	(30)	14	(82)
Nagore	22	(42)	18	(41)
Gyaha	8	(22)	17	(37)
Total	38	(33)	49	(46)
Use of <i>nnoboa</i>				
Bepoase	14	(52)	0	(0)
Nagore	23	(43)	10	(23)
Gyaha	15	(42)	1	(2)
Total	52	(45)	11	(10)
Use of agricultural wage labor or <i>nnoboa</i>				
Bepoase	18	(67)	14	(82)
Nagore	33	(62)	21	(48)
Gyaha	19	(53)	18	(39)
Total	70	(60)	53	(50)

Note: Figures in parentheses are percentages.

their insufficient income by engaging in wage labor. The percentage of farmers engaged in wage labor was higher among men than among women in all three villages (88 per cent in Bepoase, 68 per cent in Nagore, and 82 per cent in Gyaha). This may be explained by the fact that the employers preferred male labor particularly for strength-demanding farm tasks.

As has been explained, wage labor is supplied more by farmers in the lower wealth ranks and is used more by farmers in the higher wealth ranks. However, this does not mean that there is a complete separation of the labor-demanding class from the labor-supplying class. Although wage labor is supplied more by farmers in the lower wealth ranks, these labor-supplying farmers often hire wage labor to work on their own farms when necessary. Farmers who engage in wage labor and at the same time were the hirers of wage labor accounted for 38 per cent of all farmers (23 per cent in Bepoase, 63 per cent in Nagore, and 24 per cent in Gyaha). Among the labor-supplying farmers, men were more numerous than women, and among lower-ranking farmers in Bepoase and Nagore, women tend to hire wage labor more frequently than men (Table 5-7). These trends suggest two facts. First, not a few farmers in the lower wealth ranks use wage labor on their own farms, while engaging in wage labor on other people's farms. Second, male farmers tend to be on the labor-supplying side, whereas female farmers tend to be on the labor-demanding side.

## (2) Wealth Ranks and Tenancy Contract

The percentage of farmers who used share tenants on their farms under *nhwesoo* or *yemayenkye* contracts was higher in the higher wealth ranks, especially in Rank 1. On the other hand, some farmers in Ranks 4 and 5 also used share tenants, as shown in Table 5-8. Of male farmers using share tenants, 80 per cent were over the age of sixty which suggests that they relied on tenants because they no longer had the physical strength to work on their farms. By contrast, female farmers in all age categories relied on tenants. The reliance of young women on tenants probably stems from the fact that they have to engage in reproductive work (such as household tasks and child rearing) as well as in economic activities other than farming (such as trading), resulting in less time available for farm work. Thus the reasons of using share tenants by male and female farmers in lower wealth ranks appear to be different.

Tables 5-2 through 5-4 show that there were farmers in all the wealth ranks who worked as tenants in cocoa production on other people's farms. However, there were two qualitative differences between the tenants in the higher wealth ranks and those in the lower ranks (Table 5-9). First, most of the tenants in the

TABLE 5-8  
FARMERS IN RANKS 4 AND 5 WHO EMPLOY TENANTS: DISTRIBUTION  
BY SEX AND AGE (THREE-VILLAGE TOTAL)

	Age					(No. of farmers)	
	20-29	30-39	40-49	50-59	60-	Total	Average
							Age
Male	0	1	0	1	8	10	69.8
Female	1	3	3	4	3	14	49.4
Total	1	4	3	5	11	24	57.9

TABLE 5-9  
CLASSIFICATION OF TENANTS IN RANKS 1 AND 5 (THREE-VILLAGE TOTAL)

	(No. of tenants)			
	Rank 1 (N = 13)		Rank 5 (N = 38)	
Landholding tenants	11	(85)	4	(11)
<i>Nhwesoo</i> tenants	2	(15)	30	(79)
<i>Yemayenkye</i> tenants	13	(100)	22	(58)
Tenants under <i>nhwesoo</i> only	0	(0)	16	(42)

Note: 1. Figures in parentheses are percentages.  
2. N = number of tenants in the rank.

highest wealth rank (85 per cent) were landholding tenants, whereas only 11 per cent of the tenants in the lowest wealth rank were landholders. Second, those tenants in the highest wealth rank were all under *yemayenkye* contracts and none were under *nhwesoo* contracts only, whereas 42 per cent of the tenants in the lowest wealth rank worked only under *nhwesoo* contracts. As was discussed in Section II of Chapter 2, the land rights secured under a *yemayenkye* contract are long-lasting and stable, often including future possibilities of land acquisition. In contrast, the land rights under a *nhwesoo* contract are short-term usufruct rights. This seems to suggest that the tenants in the highest wealth rank, who already hold their own land, are expanding their farm acreage further by means of *yemayenkye* contracts. On the other hand, farmers in the lowest rank while including those who have relatively stable land rights under *yemayenkye* contracts also include many who have only *nhwesoo* contracts.

### (3) Wealth Ranks and Nonfarm Employment

The survey also found some important facts about the relationship between

TABLE 5-10  
NONFARM EMPLOYMENT BY SEX AND WEALTH RANK (THREE-VILLAGE TOTAL)

	(No. of persons)				
	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5
Male					
<i>N</i>	32	34	91	65	51
Formal sector	9 (28)	9 (26)	9 (10)	2 (3)	0 (0)
Informal sector	9 (28)	3 (9)	13 (14)	9 (14)	3 (6)
Female					
<i>N</i>	2	22	67	62	45
Formal sector	0 (0)	0 (0)	1 (1)	1 (2)	0 (0)
Informal sector	1 (50)	10 (45)	30 (45)	18 (29)	5 (11)

Note: 1. Figures in parentheses are percentages.  
2. *N* = number of persons in the wealth rank.

nonfarm employment and wealth ranks. One was that employees in the formal sector (such as teachers and purchasing clerks of cocoa-purchasing company) were primarily men who were in wealth ranks 1 and 2, as shown in Table 5-10. Only two women were found in this sector. By contrast, there were farmers from all the wealth ranks working in the informal sector. It should be pointed out, however, that the type of informal income earning activities in higher wealth ranks differed from that in lower ranks. Most of the villagers earning income by using equipment that require capital investment, such as those engaged in passenger transportation using their own cars and those earning fees from their own chainsaws and flour mills, belonged to higher wealth ranks. The nonfarm income earning activities of those in other wealth ranks were all small-scale businesses such as retailing, hairdressing, carpentry, and masonry.

In summary, the above analysis using wealth ranks indicates that a close relationship exists between a farmer's wealth status on the one hand and his/her labor deployment strategies, tenancy contracts, and nonfarm economic activities on the other. Farmers in higher wealth ranks frequently use wage labor on the strength of their financial resources, whereas farmers in lower wealth ranks make up for their insufficient labor by means of *nnoboa* labor as well as wage labor. Among farmers in lower wealth ranks, men tend to use more *nnoboa* labor and women more wage labor. It was also shown that the suppliers of wage labor are found more among farmers in the lower wealth



ranks, but these labor-supplying farmers also hire wage labor at times to work on their own farms. There is, therefore, no definite separation between the labor-demanding class and the labor-supplying class of wage labor. Farmers who work as tenants are found in all the wealth ranks, but those in the higher wealth ranks intend to expand the size of their farms through share contracts, while those in the lower wealth ranks often depend only on tenancy contracts for a living. Finally, nonfarm employment in the formal sector and nonfarm economic activities using equipment requiring capital investment can be seen among the farmers in the higher wealth ranks, and most of these people are male. In contrast, small-scale informal economic activities are the main source of nonfarm income for farmers in the lower wealth ranks.

### **3. Direction of Change in the Wealth Status Structure**

#### **(1) Future of Farmers in the Lower Wealth Ranks**

The structure of economic inequality discussed above is not fixed and can change over time. An important factor influencing economic status is the life cycle of a farmer. The results of the wealth-ranking survey show a correlation between a farmer's age and wealth status (Tables 5-2 through 5-4). This indicates that a farmer's wealth status can improve in the course of his/her life cycle.

There are many reasons why an individual's economic status improves with the changes in life cycles.<sup>1</sup> For one thing, the opportunities to acquire land (and cocoa farms) through gifting or inheritance increase as a farmer becomes older, thus helping to raise his/her income. Another major factor is the nature of cocoa farming. Newly planted cocoa trees have very little yield for the first five years. After about ten years, however, their yield begins to increase, and they will remain productive for the next twenty to thirty years. Even if a young farmer obtains a large plot of land and starts planting cocoa trees, he or she has to wait up to a decade for the yield from those trees to start increasing (as was the case with the young large-scale landholders in Beपोase, discussed earlier). Consequently, a farmer who invested labor and capital in a farm while young will be rewarded with stable harvests when he or she reaches middle or old age. This is one reason why a farmer's economic status rises with age.

Another important factor influencing economic status is the existence of indigenous institutions that enable farmers to improve their status by shifting to more advantageous contracts. For instance, newly arrived migrants without any capital or relatives in the village may earn their living by initially entering into annual labor contracts. As they become experienced with cocoa farming, they can enter into more advantageous *nhwesoo* or *yemayenkye* contracts. The latter contract ensures greater cocoa income as the trees grow, and can help

tenants to become landholders through land-dividing arrangements (Chapter 2). In this way, even migrant farmers without land or capital, or without landholding relatives in the village, can gradually improve their economic status by shifting to more profitable contracts. Of the farmers in the lowest wealth rank in the study villages, 58 per cent of them worked under *yemayenkye* contracts. Some of them could become owner-cultivators in the future through land-dividing *yemayenkye*. Even if the contracts do not include land-dividing arrangements, a tenant's rights in a cocoa farm are long-lasting, stable, and inheritable. The existence of indigenous institutions, such as the *yemayenkye* contract, thus opens the possibility for landless villagers to improve their economic status.

## (2) Future of Farmers in the Higher Wealth Ranks

It is possible for farmers in the lower wealth ranks to improve their economic status over time. What is the situation for farmers in the higher wealth ranks?

Hill (1963, 1970) pointed out that the economic orientation of migrant farmers in earlier years was capitalistic because they reinvested their income from cocoa production to accumulate land. Consequently, many farmers in those days held multiple pieces of land. Because enough land was still available in the first half of the twentieth century, it was possible for wealthy farmers to expand the scale of their operations by reinvesting their earnings to acquire more land.

By the 1990s, however, further accumulation of land by wealthy farmers had become more difficult because there remained little uncultivated land that could be directly acquired from the traditional divisional chiefs, and because the land once acquired by individuals or lineages is rarely transferred to strangers through purchase. In the study villages there were a few farmers in the highest wealth rank who reinvested the profits from cocoa production to acquire more land. However, most of the land purchases took place in earlier years (in the 1960s or before). In recent years, due partly to increasing population pressure, land is not readily available for purchase, making it difficult for wealthy farmers to use their profits to buy land.

There has also been a tendency in recent years for individual landholdings to shrink in the course of generational change. As discussed in Section IV of Chapter 3, many plots of land held by individuals have been divided up for gifting or inheritance because of the multiple claims to the land from different parties (including wives, children, and matrilineal relatives). The large tracts of land held by first-generation migrants in the highest wealth rank are likely to be divided up when transferred to descendants through gifting or inherit-

ance. The combined trends of the decreasing land obtainable from the traditional divisional chiefs and the growing division of land through gifting and inheritance seem to indicate a slow process of equalizing landholdings among villagers, in contrast to the emergence of capitalistic farmers through land accumulation as observed by Hill in earlier years.

In summary, two trends of change can be seen in the structure of wealth among farmers in the study villages. One is that some farmers in the lowest wealth ranks are likely to improve their economic status in the future. The other is that it is becoming difficult for farmers in the higher wealth ranks to accumulate land, and their landholdings are being fragmented with generational change. These trends suggest the possibility that the structure of economic inequality in the study villages is heading toward the equalization of economic status instead of a bipolarization between big landholders with expanding farms on one side and utterly landless farmers on the other.

## **Conclusion**

The foregoing analysis of the structure of economic inequality in the study villages has revealed that the state of landholding, labor relations, tenancy contracts, and nonfarm income earning activities are all closely related to farmer economic status. It has also been pointed out that important qualitative differences in terms of gender and age exist among the villagers, and such differences are correlated with economic status. It has also been argued that the present structure of economic inequality is not fixed, is likely to change over time, and that there are indigenous circumstances and institutions concerned with landholding that are promoting the equalization of wealth status.

Before closing this chapter, the limitation of the method adopted in the present study for analyzing the dynamic state of economic inequality in Ghana's rural areas needs to be mentioned. As the aim of the present study has been to analyze the economic inequality within the study villages, it cannot grasp the dynamic state of economic inequality for the whole of rural Ghana. Consequently, the analysis cannot include rural capitalists holding many pieces of land in more than one place in Ghana, or rural industrialists accumulating capital who reside outside the study villages. Therefore, it is possible that the process of equalizing economic status observed in the study villages is only a partial picture of a broader process of widening economic inequalities. Whether or not such a process is taking place in rural Ghana as a whole is beyond the scope of this study.

**Note**

- 1 It is not clear whether the economic status of farmers is interrelated with changes in the demographic composition of the household, as pointed out by Chayanov (1986). As has been noted, in rural Ghana there is more than one production unit within the household. Consequently, an increase in the number of workers within a household does not always lead to an increase in labor available for a household member's farm (or an increase in the scale of operation or earnings). In addition, the availability of family labor is not the sole factor determining the amount of total labor available, because labor other than household labor (such as wage labor and tenant labor) is used in cocoa production. Thus, a simplistic model of linking the demographic cycle of a household with wealth status (arguing that advancing age leads to increases in available family labor, resulting in a larger scale of farming operations and increased income) does not apply to the actual situation in the study villages.