



FREE TRADE, SMALL SCALE PRODUCTION AND POVERTY



SEND Ghana, 2008

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Preface

'Free Trade, Small Scale Production and Poverty' is a product of the Participatory, Monitoring and Evaluation (PM&E) research toolkit employed by a network of women researchers to assess the impact of trade liberalisation on the livelihood security of women in Ghana. SEND Ghana facilitated the research in five regions in the following communities: Elmina (Central Region), Matsekope (Greater Accra Region), Gane (Upper East Region), Kalende (Northern Region) and Tangasia (Upper West Region). The research was undertaken in the areas of fishing, tomato and soya bean production, processing and marketing. Women in these communities derive their livelihood from the production activities associated with fish, tomato and soya beans. As Ghana moves towards a more liberalised trade regime, questions arise as to whether the country can improve the economic status of vulnerable groups, such as women, through free trade as stipulated by neo-liberal trade theories.

SEND Ghana envisions a Ghana where people's rights and well being are guaranteed. We see public policy advocacy as an entry point to realising SEND's mission of promoting good governance and the equality of women and men in Ghana. This report examines the impact of trade liberalisation on women. The findings of the report provide an alternative perspective to the country's decision to deepen integration in the context of the ECOWAS trade liberalisation scheme and the World Trade Organisation in general.

This research has been made possible through a partnership with Christian Aid – UK, Cordaid – Netherlands and IBIS – West Africa. The partners contributed resources while SEND Ghana and her local partners undertook the research. SEND is grateful for their support. My personal appreciation also goes to the staff of SEND who facilitated the research processes in the various regions. Mohammed Issah, Bashiru Jumah, Thomas Aduko Adongo, Eugene Yirbour and George Osei-Bimpeh who coordinated parts of the research for SEND at different times during the research since 2007, are all gratefully acknowledged.

It is the expectation of SEND Ghana that the findings of this report will give reason to policy makers to rethink strategies that will enable Ghanaians to take advantage of liberalised trade regimes. We offer these ideas as evidence from a micro-level where the impact of public policies is felt the most. While accepting possible limitations of this report, we draw confidence in our participatory approaches and rigorous processes in policy impact assessment.

Samuel Zan Akologo
Country Director.



List Of Abbreviations

| | |
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| ACP | AFRICAN CARRIBEAN AND PACIFIC |
| ADRA | ADVENTIST DEVELOPMENT AND RELEIF AGENCY |
| CAADP | COMPREHENSIVE AFRICA AGRICULTURAL DEVELOPMENT POLICY |
| CET | COMMON EXTERNAL TARIFF |
| CSOs | CIVIL SOCIETY ORGANISATIONS |
| ECOWAS | ECONOMIC COMMUNITY OF WEST AFRICAN STATES |
| EPA | ECONOMIC PARTNERSHIP AGREEMENTS |
| ETLS | ECOWAS TRADE LIBEARALISATION SCHEME |
| EU | EUROPEAN UNION |
| FASDEP II | FOOD AND AGRICULUTURE SECTOR DEVELOPMENT POLICY II |
| GDP | GROSS DOMESTIC PRODUCT |
| GLSS | GHANA LIVING STANDARD SURVEY |
| GPRS | GROWTH AND POVERTY REDUCTION STRATEGY |
| IFIs | INTERNATIONAL FINANCIAL INSTITUTIONS |
| ISODEC | INTERGRATED SOCIAL DEVELOPMENT CENTER |
| MOFA | MINISTRY OF FOOD AND AGRICULTURE |
| SAPs | STRUCTURAL ADJUSTMENT PROGRAMMES |
| SEND | SOCIAL ENTERPRISE DEVELOPMENT FOUNDATION |
| SRID | STATISTICS RESEARCH AND INFORMATION DIRECTORATE OF MOFA |
| TLS | TRADE LIBEARALISATION SCHEME |
| UEMOA | UNION ECONOMIQUE ET MONÉTAIRE OUEST AFRICAINE |
| WTO | WORLD TRADE ORGANISATION |



1.0 Executive Summary

Ghana's adoption of trade liberalisation policies in the early 1980s came as part of policy directives prescribed by the International Financial Institutions to salvage the economy from economic depressions. At the sub-regional level, a major motivating factor for the establishment of ECOWAS was the need for the creation of a common regional market.

The signing of the 1993 revised ECOWAS protocol reinforced the need for the creation of an ECOWAS regional market to achieve full economic integration of the sub-region. Consequently, a regional policy known as the ECOWAS Trade Liberalisation Scheme was formulated for the purpose of achieving deeper and accelerated regional integration. Although, implementation of the scheme did not take off as scheduled, initial obstacles have been cleared and some countries in the sub-region have started implementing the scheme within the framework of an ECOWAS custom union.

The aim for the creation of an ECOWAS custom union is to promote cooperation and integration leading to the establishment of an economic union in West Africa in order to raise the living standards of its citizens, and to maintain and enhance economic stability, foster relations among Member States and also contribute to the progress and development of the African Continent. It is, therefore, expected that liberalisation within the sub-region which leads to the creation of a regional market will afford opportunities to small scale farmers, especially women, to have access to a larger sub-regional market.

However, experience with earlier liberalisation schemes reveals that local vegetable and food crop farmers have not realised the expected benefits from trade liberalisation. In Ghana, women form a large

proportion of the farming population and have been mostly affected by the implementation of liberalisation policies. Many have lost their livelihoods due to intense competition that has accompanied liberalisation.

As ECOWAS deepens liberalisation through the creation of a common regional market, Ghanaian women engaged in the agricultural sector are being edged out of market. The study used the production, processing and marketing of tomatoes, soya beans and fish as case studies to assess the impact of the creation of the ECOWAS regional market on livelihood security of women farmers. Contrary to the expectation that trade liberalisation and particularly the ECOWAS regional market would offer export opportunities to local agricultural and industrial producers, the livelihood security of the women farmers in the study areas is threatened by competition associated with general liberalised trade regimes as well as the implementation of the ECOWAS Trade Liberalisation Scheme. The withdrawal of government support has exacerbated the competitiveness of local agricultural output produced by the women farmers.

Although Ghana has made commitment to liberalise trade, the government has to muster the necessary political will to enhance the export capacity of local farmers, especially women, to enable them take advantage of the opportunities associated with integration into a custom union since government's intervention in this regards holds the key to reducing poverty among women and small producers.

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

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