

# Certifications, Child Labour and Livelihood Strategies: An Analysis of Cocoa Production in Ghana



Rita Owusu-Amankwah



## **Propositions**

1. Third party voluntary certification will likely fail if global standards are imposed on the producers without consideration of their social, cultural framework and practices.  
(this thesis)
2. Child labour is embedded in family and community life and should not be discussed in isolation but within the framework of socio-economic and socio-cultural environment within which cocoa cultivation takes place  
(this thesis).
3. The challenge of dealing with many concepts as prescribed by interdisciplinary research trajectory limits the scope of research.
4. Non enforcement of governmental regulations limits the amount of a common good that is available for use by citizens and threaten its sustainability.
5. Over politicisation of issues is the cause of under development in many countries in Africa.
6. Democracy unfortunately prioritises the perpetuation of poverty over the well-being of the poor.

Propositions belonging to the thesis, entitled:

‘Certifications, Child Labour and Livelihood Strategies: An analysis of the cocoa production in Ghana’.

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Wageningen, 26 August 2015

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Livelihood Strategies:  
An Analysis of Cocoa Production in  
Ghana**

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# **Certifications, Child Labour and Livelihood Strategies: An Analysis of Cocoa Production in Ghana**

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## **Thesis**

Submitted in fulfilment of the requirements for the degree of doctor  
at Wageningen University  
by the authority of the Rector Magnificus  
Prof. Dr A.P.J. Mol,  
in the presence of the  
Thesis Committee appointed by the Academic Board  
to be defended in public  
on Wednesday 26 August, 2015 at  
at 11 a.m. in the Aula.

Rita Owusu-Amankwah  
Certifications, Child Labour and Livelihood Strategies:  
An Analysis of Cocoa Production in Ghana

239 pages.

PhD thesis, Wageningen University, Wageningen, NL (2015)  
With references, with summaries in Dutch and English

ISBN: 978-94-6257-491-5



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## Acknowledgements

When Dr. Francis Baah of Ghana Cocoa Board announced at a meeting the vacancy to pursue a PhD course at the Wageningen University, I straight away expressed my interest as I was looking for such an opportunity. Dr. Baah introduced me to Dr. George Essegbey and Dr. Godfred Frempong, who in turn introduced me to Prof. Guido Ruivenkamp and Dr. Joost Jongerden. With their help I gained admission and a NUFFIC Scholarship to pursue my dream. I cannot leave out the then Minister for Labour, Hon. Amoano Kwao. Honourable, you believe in women's empowerment and had confidence in my ability; hence your endorsement of my application for the NUFFIC scholarship. I am very grateful to you. I am also grateful to NUFFIC for this wonderful opportunity given me to pursue this study.

I owe my promoters and supervisors: Prof. Ruivenkamp, Prof. Han Wieskerke, Dr. Jongerden, Dr. George Essegbey and Dr. Godfred Frempong a debt of gratitude. First of all, I am grateful to Guido for providing the overall guidance for the study. Your constructive, open and critical contributions provided the scientific basis and quality of this thesis. This will always guide me in making critical analyses of issues in order to make better scientific arguments. Your openness and friendliness provided the atmosphere for insightful discussions that enhanced my learning as a researcher and a professional development practitioner. My respect and thanks go also to Prof. Wieskerke, whose wonderful suggestions gave the thesis its theoretical base. I am grateful to you Dr. Jongerden. As my daily supervisor you made my stay in the Netherlands much more homely. From taking me around on my first day in Wageningen and facilitating my resident's visa to being the first person to read my work and give inputs was so helpful. What can I say to my Ghanaian promoters, Dr. Essegbey and Dr. Frempong? Apart from their insightful contributions which helped me in making scientific analysis they were sources of encouragement when the going was tough. I am highly grateful! I also appreciate Prof. Shuji Hisano's valuable suggestions at the beginning of the study.

I would also want to express my gratitude to my PhD colleagues at the Rural Sociology (RSO) Group: Wilhelmina Quaye (Mina), Joyce Haleegoah, Rose Omari, Archana Patnaik, Soutrik Basu, Alexandra Martinez-Flores and Mithun Rao Bantwal, who motivated and urged me on. You were good companions both socially and academically. I would like to appreciate Mina in a special way, who provided me with valuable suggestions and tit bits and was always willing to offer support. Mina you were amazing and a good sister.

The following wonderful ladies at the RSO secretariat deserve to be appreciated for providing logistical and administrative support throughout my studies: Aicha el Makoui, Coby Aanhaanen-van Duijn, Diana Dupain, and Lucie van Zaalen. Lucie, thanks so much for your immense support when I critically needed accommodation during one of my short stays. You did not rest until you found me one. I am thankful to Bea Prijn, who was previously in the CTC Group for the logistical and administrative support during my first year and also for her friendship. Much gratitude also goes to Inge Ruisch for her friendship.

Many people in the cocoa value-chain from the farmer level to the chocolate fraternity level deserve my appreciation for their support to me during my data collection, for which I am grateful. Special mention should be given to the staff of Agro-eco, Mr. Willem Albert Toose, Dennis Oppong and all the communities who gave me valuable information that enabled me to make good scientific analysis. My profound gratitude goes to my research assistants Maxwell and Fred. My special thanks also go to Mr. Nathaniel Amoh Boateng, who was my main field assistant during my field work. Thanks a million Nat for all your sacrifices.

But for the following wonderful Ghanaians (Sikamanfo), my life in Wageningen would have been very lonely: Joana Ameyaw, Yaw Amo Sarpong (Energy), Betty Adjei, Nashiru Sulemana, Monica Opoku, Steve and Monica Hoek-Akanyinte, who always opened their home to me, Uncle Samson Nibi and family and Harry Barnes-Dabban. Harry, thanks for your company and the chats at far away Haarweg. I will always remember these wonderful people, as well as Lizzy Muguru, Innocent Wadzanayi and Leah Ombis Oyake, for their friendship.

I am grateful to the Amazing Grace Christian community, with whom I worshipped, for providing me with the spiritual strength to move on when I was in the Netherlands. Pastor Farai Maphosa and Busi Maphosa, you were amazing! Special thanks also go to the Grace Baptist Church, Sakumono, Ghana, for all the love, prayers and encouragement throughout my studies. Rev. J.N.N. Oquaye, Mrs. Nancy Oquaye and Mrs. Betty Morny, thanks for your prayers and your visits to my family while I was away; Mr. Mathew Dally and Mr. Samuel Sarpong and your families, thanks so much for all your support in my time of need. I cannot conclude this without mentioning the immense love shown by my local cell group, the Bastonaa Cell. I particularly thank you for your prayers and encouragement.

I would like to thank my entire family and friends for the love, support, and prayers throughout my studies and all the challenges I went through during the first year of my study. First of all, I express my gratitude to my siblings: Dinah, you are the best sister in the whole

wide world! Alex, Nana Yaw, Florence, thanks so much. My love also to my nieces and nephews, Nana Kwame, Estella and Kwabena, for your encouragement. Thank you, Mum, for all your support. Today would have been the happiest day in your life to see your daughter at the graduation stage, if it had not been for your infirmity, but I know you hear, even though you cannot say it. God bless you for all your sacrifices to me. The following wonderful people deserve a special acknowledgement for their encouragement: Castro, Stella and Mr. Thomas Osei Achampong.

Finally, I appreciate the services and support of my husband Yaw Owusu-Amankwah and my children so much. Yaw you have been my pillar ever since you came into my life some 26 years ago. You have provided extraordinary support by reading through all my chapters and articles. The edit and insights you provided are much appreciated. To my children, Angela, Kofi, Adwoa, thank you all for being there for me and for all your love.

## **Abstract**

There have been various innovative initiatives by global and local actors in response to pressure on cocoa value-chain actors to free cocoa production from child labour (CL) and especially the worst forms of child labour (WFCL) and also to improve the livelihoods of farm families. Analyses of the implementation, implications and the appropriateness of these initiatives in driving change in the cocoa supply chain and improving the labour and income conditions in cocoa farms are limited, however. This study examines initiatives being led by the key actors in the value chain – the governmental initiative of a community-based child labour monitoring (CCLM) system (CCLMS), that led by business actors of third party voluntary cocoa certification (TPVCC), and farmers' own way of diversifying income – in order to understand current developments in the cocoa value-chain and analyse the dynamics between the local and global actors and the effect of these dynamics for the reorganisation of the cocoa production system in Ghana.

This thesis employs an interdisciplinary perspective and combines innovation theory with livelihood, social perspectives and other social science tools to empirically investigate the initiatives as they operate at micro-, meso- and macro-levels so as to ascertain their implications for farmers' livelihoods and children's social situations. It also reflects scholarly interest in understanding how global-level development interacts with and affects local-level development, and how globalisation shapes and mediates local influences within the cocoa production system.

Firstly, the CCLMS study (Chapter 3) reveals three kinds of benefits to children: an expanded social network, a reduction in their participation in hazardous work and an improvement in school attendance. The findings show that absenteeism on the part of the pupils in a community with a CCLM intervention is approximately half that of two communities without intervention. In addition, it is observed that although children are involved in hazardous and non-hazardous activities in all the three communities involved in the study, the extent of their involvement in hazardous activities is higher in the communities without intervention.

Secondly, third party certification (TPC) formulated by the business actors is a key innovation in the cocoa production system of Ghana. The study presented in Chapter 4 shows the potential of TPVCC to mobilise financial, human and social capitals to address gaps and



dysfunctions and create a win-win situation for all the actors of the value chain. However, sector-wide standards that address sector specific needs taking into consideration the views of chain actors, especially farmers and their socio-cultural context will enhance compliance. This is because global or international standards cannot be imposed but are analysed, contested and adapted by farmers to suit on-the-ground practices. The study also shows the potential of TPVCC to address CL and livelihood issues, but these will yield better results if it is implemented in enhanced socio-economic conditions. Regardless of these positives, the net benefit of certification is unclear due to the difficulty in conducting proper cost-benefit analyses in the absence of proper documentation of farmer-level costs and other factors.

Thirdly, the findings show that about 70% of farmers are diversifying into other (non-cocoa) farm and non-farm activities using largely indigenous resources, but on a small scale and at subsistence level. This condition means that the goal of farmers to supplement cocoa income and reduce risk is not achieved through such a level of diversification. There is some indication of increasing importance of income and resources from non-farm activities, but income from cocoa continues to determine household income as well as the demand for non-farm goods and investment in the non-farm sector. This study also finds that children are involved in both farm and non-farm activities, which can be classified as hazardous and non-hazardous. Farmers, especially caretakers, producing at subsistence level are likely to use their children to supplement labour needs. Some policy recommendations are made in the areas of economic incentives and multi-stakeholder collaboration to stimulate the sector towards sustainability.

*...if the fundamental rights behind our cause are not sufficient to move people to act,  
then let it be the economic and social rationale behind it.  
Either way, we are going to challenge people to act.*

**Nelson Mandela and Graca Machel**

## **CHAPTER ONE**

### **Theoretical Framework**

## **1.1. Introduction**

Concerns have been raised that the gradual development of and in the structures of globalised food chains, characterised by an increasing concentration of market power in the hands of large processors and retailers and the formulation of new standards connected to the organisation of the chains, tends to work against the interests of small-to-medium scale producers and workers (Fox & Vorley, 2006). This takes place through a worsening of the terms of trade, whereby a small number of privately owned companies control key elements of production, trade, processing and marketing. As a result of these concerns, the agricultural modernisation paradigm is being increasingly challenged and, indeed, gradually replaced by a rural development paradigm that is directly stimulated by the growing societal and political concern about the negative side effects of agricultural modernisation (Van der Ploeg et al., 2000; Wiskerke et al., 2003).

Externalities resulting from modernisation, such as environmental pollution and poor smallholder livelihoods and including also the usage of child labour (CL) have become topical issues in value chains, with transnational actors (processors and retailers) being compelled to take corrective actions. The global cocoa industry, for instance, has been attacked for exploiting producers and ignoring CL issues. This industry has been under intense pressure in recent times to operate in ways that improve the conditions of producers and protect and safeguard children's rights. In the case of the global chocolate industry, this has become a particularly sharp ethical issue, with consumers and child right advocates agitating for companies to plough back some of their huge profits to benefit the poor cocoa producing families and take strong measures to eliminate CL.

Some advocates in the global North are demanding trade sanctions and request a complete abolition of CL – which much of the available literature indicate as an ineffective approach to this issue given the many challenges facing farming families (Basu, 1998; Jafarey & Lahiri, 2002; Mansoor, 2004). In fact, it is argued that the abolitionist approach is counterproductive and may worsen the plight of children as well as having devastating consequences not only on the industry and those families whose livelihoods depend on it but also the producing countries, whose economies largely rely on the foreign exchange derived from cocoa. In the South, however, the CL issue is at least partly embedded in family life, which means that it

should not be discussed in isolation as a political or economic issue but in the framework of the socio-economic and socio-cultural environment within which cultivation takes place.

Nevertheless, the concept of ethics in business has certainly imposed responsibilities on businesses, as well as on government and farmers. The three key actors in the cocoa industry – government, business and farmers – are now obliged to come up with innovative interventions to improve the situation. Families are not absolved of this responsibility to find a holistic, sociologically oriented solution to the issue. This has led to the proliferation of various innovative interventions, such as the Community Child Labour Monitoring System (CCLMS) and third party voluntary certification (TPVC) by stakeholders geared towards the ethical production of cocoa and its derivatives in ways that improve the livelihood of farmers as well as reducing CL and eliminating the worst forms of child labour(WFCL). An impact analysis and consideration of the practical suitability of these innovative interventions, however, has not yet been performed.

This thesis thus aims to contribute to the necessary work in this area by investigating the innovative interventions being implemented by the three key actors to reduce the WFCL and improve the livelihoods of farmers and exploring how these may offer opportunities for sustainable structural change in the cocoa value-chain.

## **1.2. Theoretical Positioning of the Research**

Exploration of a sustainable structural change in the cocoa value-chain needs to start with an overview of the effects of modernisation and globalisation on agricultural systems, globalisation and childhood in development discourses, livelihood diversification and innovations to reduce CL and enhance livelihood.

### *1.2.1. Peasantisation, Modernisation and Globalisation of Agricultural Production Systems*

The concept of modernisation has been assumed to refer to a total transformation of a traditional society into advanced society characterised by technology and associated social organisation as exhibited by the economically prosperous Western World (Beck, 1992; Inglehart & Baker, 2000), in which the transformation is enabled by development(Long, 1977). This discourse has been sharply criticised by, among others, those who contend that there is a critical role for peasants, and smallholders farmers in modern societies and moreover, that there are a lot of people who simply have no alternative to such an existence.

The role of farmers in the scientific debate on the modernisation trajectory is typically perceived in different, contrasting ways, as related to peasants, entrepreneurs and capitalist organisations in a continuum based on scale and production orientation (Van der Ploeg, 2009).

Labour in the *peasant farming system* is basically provided by family members and/or mobilised within the rural community through reciprocity relations. Land and other means of production are family owned. This is the essential production unit assumed here and referred to most commonly as ‘smallholder’ (see Section 2.4). Peasant farming these days tends to combine subsistence and commodity production, with the latter being the focus in cocoa farming. In peasant communities, reciprocity and socially regulated exchange are generally preferred over market transactions to obtain resources (Bryceson et al., 2000), and there is typically an inter-generational transfer of farm units, which also increases their distance from the market. In this system, the family serves as the internal social organisation, the unit of production, consumption, reproduction, socialisation, welfare and risk-sharing, which is the case in Ghanaian cocoa farming.

Often originating in family farms, the *entrepreneurial farming type* is constructed on financial and industrial capital represented through credit, industrial inputs and technologies (Van der Ploeg, 2009). Production is highly specialised and completely oriented towards markets, with inputs obtained through the market, including labour. Such enterprises tend to introduce modern technologies, are medium-scale and expanded with venture capital. The *capitalist farming type*, meanwhile, basically comprises large-scale corporate entities and extending to include the global, vertically and horizontally integrated and diversified and aiming at profit maximisation utilising mechanisation and automation of equipment and processes where possible and a labour force where necessary composed of salaried workers.

Peasant farming is generally a vulnerable form, with tiny units of production. The differences in the degree of modernisation in the three segments place a specific imprint on labour use and employment levels, as well as on the total amounts of product value, on ecology, landscape and biodiversity, and on the quantity and quality of food produced. Contrary to the conventional idea, Bryceson (2000) contends that peasant farmers are not static, vulnerable and just waiting for the transformation, as it were, but a dynamic agrarian labour force adjusting to surrounding conditions, such as fluctuations in prices, as required and creatively according to the means available and particularities of their context. Historically, according to Neil Smelser (1963, cited by Long, 1977), cash crops promoted by colonial masters in



developing countries with vertical organisation systems and long value-chains were disconnected from the local contexts, where consumption was thus separated from production. This has caused a wrenching within socio-economic structures, a disconnection of the peasantry from its agrarian base, such that growth becomes stunted. The local food-network for cocoa in Ghana, for example, is rather undeveloped since the product itself is of little local use (2.2).

Criticising the total transformation discourse, Long, 1977 posited the persistence of traditional relationships and institutions, even in the throes of modernisation. Using empirical data, she indicated that the body of techniques introduced in the modernisation process of agriculture was a mere improvement on existing technology and did not lead to a reallocation of resources. She further noted that farmers tended to adapt to existing institutional arrangements as necessary to secure new economic ends and indicated that these institutions provided a framework within which growth could be initiated. Certainly, there is room for growth, which is generally assumed to be a good thing for rural populations, notwithstanding the critique of conventional development models. Africa's agrarian transformation until now has been fairly insignificant overall, with a large portion of agriculture still under peasant production principles and rates of food security still relatively low in world terms, where there has been a global tendency towards de-peasantisation and modernisation. As Bryceson, (2000: 2) asserts, there has been a 'reconceptualization of peasants as smallholder farmers who are rational economic agents seeking material betterment through participation in agricultural commodity production'.

This conception of the peasant as agent informs an interplay between smallholder farmer behaviour and local institutions geared to defending, restraining and pushing the people to adhere to old ways of production and those pressures from the outside world which tend to pull them out of traditional systems and into the market. The pressures from consumers, trans-nationals and associated unfair terms of trade and other international organisations, however, place the farmers and their communities in a dilemma. They are torn between adhering to their traditional ways and local cultures or opening up to globalised cultures and externally determined practices, laws, conventions and standards that carry the promise of economic gain but also increased risk of losing autonomy and therefore power in the trading relationship. The penetration of global values into economy, politics, culture, social relations, production and ideas leads not only to uniformity (Hannigan, 2002) but also to dependence and vulnerability.

The concept of globalisation has been defined as the intensification of social and geographical interconnectivity and an accelerated circulation of people, capital, information and cultural symbols on a worldwide scale (Quaye et al, 2010, Tomlinson, 2006; Ukpere & Slabbert, 2009; Vasilescu & Himayatullah, 2008). It has resulted in an international competition that is remoulding global production systems and trade relations and how they develop overtime (Gerefi, 2011, 2014). The cocoa trade as it applies to African production has always been global so far as it has an international (colonial, North-South) value that structures distant use (manufacture and consumption) of the product introduced into, grown in and traded from Africa.

Controlled by multinational companies as determined by commodity market-prices and the demand primarily, still, of the West, the global cocoa value-chain is characterised by a free market in which there are a lot of sellers and few buyers. This means that trade is characterised by flexible sourcing from diverse locations and based on anonymity and standardisation that result in downward price trends and decline in the terms of trade (Barrientos & Dolan, 2006: 26). It is the kind of system that has attracted accusations of profiteering at the expense of the impoverished small farmers (Fox & Vorley, 2006).

In 2014, at the World Cocoa Conference in Amsterdam, the Executive Secretary of the International Cocoa Organisation (ICCO) stated that cocoa producers gained only 3% of the profit accrued to the value chain. Poor livelihoods and working conditions and CL are some of the effects of these unfair terms of trade on smallholder cocoa farmers, which, in turn, have been publicised by NGOs and other organisations and thence in the world media, eventually generating pressure on companies to work to enhance the conditions of smallholder farmers. The issue of CL in particular has become topical in the socio-economics of cocoa in recent times, developing as one of the key challenges facing actors in the value chain. It has many aspects, which become divided and then incompletely considered due to the pressure from international agencies to perceive it in a specific way – from an economic perspective – and thus fail to observe the cultural aspects.

### *1.2.2. Globalisation and Childhood in Development Discourses*

Globalisation tends to involve a degree of homogenisation of adult ideas about what a proper childhood should be like, of what kinds of activities children should be encouraged or prohibited from undertaking (White, 1996: 4), while it is also recognised that these

homogeneous ideas may be applied differently in various local situations. Kjørholt (2004, 22) citing James, Jenks and Prout (1998) listed four dominant discourses of childhood – the social structural child, the socially constructed child, the minority group child and the tribal child – regarding these as important in setting the context and framework for proper analysis. According to Kjørholt (2004: 22), researchers associated with the discourse of the *social structural child* see children as permanently present and a structural category in any society. She indicated that this conceptualisation of the child is universal and global in character rather than local. The *minority group child*, which is also a global conceptualisation, defines children as rights-claimers, with the same rights as the adults in their society. The authors argue that the minority group child approach sees children as ‘conscious and active beings with a consciousness awaiting mobilisation’. The third discourse, which deals with the *tribal child*, recognises children’s competence and agency as different from adults and emphasises their ability to create their own autonomy and childhoods.

These three discourses – minority group, social structural and tribal child –are not only global in character but also skewed towards modern Western ideas about childhood. They have emerged from certain political, historical, social, economic and religious circumstances (Stanbrigde, 2008), tend to undermine the importance of the diversity and complexity of childhood and equate socio-cultural construction with the natural or universal (Kincheloe (2002). They have influenced the promulgation of international treaties, legislation and conventions; the International Labour Organisation (ILO) Convention 138 on minimum age, the Convention on the Rights of the Child (CRC) and the ILO Convention 182 are all international treaties that universally classify children and childhood in relation to work according to various measures – age, activity, time and duration of work – in this way (Nordtveit 2010) – in addition to the ILO Convention 29<sup>1</sup> on forced labour.

Again, Ghana has a comprehensive legal framework for protecting the rights of children as enshrined in the 1992 constitution and implemented through the provisions of the Children’s Act, 1998 (Act 560). Defining a child by chronological age(up to 18 years), the Act sets a minimum age for employment (15 years, with 13 years for light work and 18 for hazardous work); it also specifies children’s rights and related enforcement procedures and outlines a comprehensive regime for the care and protection of children in need of protection. These provisions are heavily influenced by the international treaties mentioned above, as shown

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<sup>1</sup> Forced labour: ‘All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily’ (Art. 2[1]).

below in Box 1.1. As White (1994) asserts, CL legislation in most countries has generally been a response to international pressures and global standard setting. Elsewhere, the legal approach to and characterisation of CL show clearly how global-level development interacts and affects local-level development, and how globalisation shapes and mediates local influences.

### **Box 1.1**Basic Concept of Child Labour

**Child Labour** refers to work that:

- is mentally, physically, socially or morally dangerous and harmful to children; and
- interferes with their schooling (i) by depriving them of the opportunity to attend school; (ii) by obliging them to leave school prematurely; or (iii) by requiring them to attempt to combine school attendance with excessively long and heavy work.

The **Worst Forms of Child Labour (WFCL)** is defined as:

- all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom, as well as forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
- the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- the use, procurement or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in relevant international treaties; and
- work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children, such harmful work to be determined by national authorities.

Two types of **WFCL** may be identified: (a) unconditional worst forms – these are often illegal and also unacceptable for children and include all those activities whose status as worst forms cannot be altered no matter what is done to improve conditions of work (e.g. commercial sexual exploitation of children); and (b) hazardous work – including those forms that need to be determined on a national level by the competent authority after consultations with employers' and workers' organisations, in which some of the activities can be improved by changing the circumstances. It is recommended that any definition of hazardous work should include (i) work that exposes children to physical, psychological or sexual abuse; (ii) work underground, underwater, at dangerous heights or in confined spaces; (iii) work with dangerous machinery, equipment and tools or

involving carrying heavy loads; (iv) exposure to hazardous substances, agents or processes, or to temperatures, noise levels or vibrations damaging to health; and (v) work for long hours, night work and unreasonable confinement to the premises of the employer. Convention No. 182, which forms the basis of this definition, applies to all boys and girls below 18 years. (ILO, 2005)

The Children's Act (560) of 1998, which was informed by the 1992 Constitution, is a comprehensive law ensuring easy access and prompt, effective administration of justice for children. Below are some of the definitions:

The Act defines **light work** as work that is not likely to be harmful to the health or development of the child and does not affect the child's attendance at school or his/her capacity to benefit from school work. It defines **exploitative labour** as work that deprives the child of his/her health, education or development. The **age for labour** in the Act sets the minimum age for admission to employment at 15 years for general employment, 13 years for light work and 18 years for hazardous work. The Act defines **hazardous work** as work posing 'a danger to the health, safety or morals of a person', and provides an exhaustive list including sea-going, mining and quarrying, carrying heavy loads, work involving the production or use of chemicals, and work in places where there is a risk of exposure to immoral behaviour.

Contrary to the above, the *socially constructed child* discourse regards the young person not as autonomous individual but rather a valued part of a collective family system, with needs that are consequently interdependent on other family members and on the community as a whole. This suggests that children are by birth attached to childhood as a particular social and symbolic space that is socially and culturally constructed (Kjorholt, 2004; Stanbrigde, 2008).

The conceptualisation of childhood as a social construct supports the African concept of the child and childhood, which is embedded in socio-cultural traditions, values and practices that do not originate from the West and globalist discourse.<sup>2</sup> Children in Africa tend to be considered not only as 'biologically vulnerable beings in need of protection', which accords with international convention, but as 'at the same time a social being with prescribed social functions and relationships' (Boakye, 2010: 108). This assertion indicates the prescription of

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<sup>2</sup>Referring principally to the sub-Saharan region, here, as elsewhere, the reference to 'Africa' is, of course, a rough generalisation used for brevity. In this case, for example, the 'African concept' is assumed to be a native one – so excluding those of non-indigenous (European, South Asian, etc.) cultural heritage – while differences within this, as effected by different tribal traditions and external influences, for example, are ignored – so giving the impression of a unitary socio-cultural space, which is, obviously, somewhat misleading. Other generalising references, for that matter, such as to 'the West, need to be similarly appreciated.

the expected roles of and relationships between community institutions, community members and family (immediate and extended) – and parents and children. For example, fathers are the providers of funds for the upkeep of the family, while mothers nurture the children. The system prescribes roles for boys and girls indirectly, with boys expected to be attached to the trades of their fathers and girls mimicking the roles of their mothers as they grow up, but also includes the idea of children's duties:

Values such as obedience, responsibility and reciprocity which were mentioned by all the stakeholders are expected to be inculcated into the child especially by the parents as he/she grows. It is therefore a sense of duty for children to support parents while the parents on their part see it as a way of training to the children.(Boateng &Korang-Okrah, 2013: 48)

Gradually, as the parents' age, part or all of their obligations are entrusted to the elder son or daughter (Nukunya, 1992, cited byOfosu, 2002). Since it is commonly permissible in Africa for a young family member to stay with an uncle or aunt, obligations may be ceded to the extended family member. This is a key starting point for an understanding of extended family relations and fosterage, which are important elements of CL in Africa generally and Ghana in particular.<sup>3</sup> Another important element of extended family relations and fosterage is inheritance arrangements. The cocoa production communities in Ghana are mostly matrilineal, which means that maternal aunts and uncles also have a considerable influence on the upbringing and care of and decisions about children.

Referring to the social context, in most Ghanaian communities, the upbringing of the child is not, in fact, regarded as the responsibility of the parents alone but of the entire community (MMYE, 2008). Activities such as household chores and light work on the farm are considered normal and indeed healthy and even necessary for the proper upbringing of a child. Within the Ghanaian context, therefore, there is nothing untoward about children's involvement as labour providers in the cocoa industry. This is seen as part of the process by which children are brought up in general, as well as specifically trained to contribute towards and eventually take responsibility for sustaining family farms or in family enterprises.

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<sup>3</sup> As a first move to indicate a breakdown or nuancing of the African generalisation, one may point to the example of Kenya, where according to Kilbride & Kilbride (1994, cited by Boakye, 2010), sibling interdependence is a particularly significant feature underlying fostering. Again, reference to country is employed as a shorthand, and should not be taken to imply that, for example, Ghana is a single entity in respect of, in this case, the social positioning of children, without any significant differences (as distinguished by regional territory, urban-rural location, class and social standing, etc.).



Children take their place in society partly through work with family in community contexts, they are not exploited by it, by the business owners and the capitalist system.

In Ghana, therefore, the introduction of CL was seen by many as the imposition of a ‘foreign concept’. Unsurprisingly, there was a misunderstanding of what it constitutes, which became evident in the widespread construal of CL as meaning elimination of all forms of children participation in the cocoa farming business and thereby initiating into Ghanaian social systems a culture of ‘laziness’ – which, of course, was unacceptable. Indeed, since children were valued as a source of labour contributing to the household economy and as a source of support for their elderly parents and grandparents, their participation in cocoa farming was rooted in deeply embedded socio-cultural norms. These were bundled up with the perception of children’s work as beneficial and connoting wealth, and many people wished for the perpetuation of the system.<sup>4</sup>

In defence of (what was regarded as) traditional culture, further to but also including the socio-economic utility, most Ghanaians (government officials, farmers, etc.) denied there was any issue of CL in the cocoa farms. It was assumed that children participation in cocoa farms was a part of the socialisation process and not something that was harmful but actually a positive social good facilitating individual development. Key personalities in Government used themselves as examples of products of the system in which helping their parents on the farm had helped them to get to where they are and had made them what they were.

Work and culture are not distinguished by most Ghanaians. Work is just a part of the culture of everyday life and seen as a good thing, something that should be encouraged rather than discouraged. On cocoa farms, where it translates to economic empowerment and an indicator of livelihood, all family members are expected to contribute their quota, no matter how small that contribution is. CL as it occurs on the cocoa farms is different from ‘the popular images in the developed world that are drawn from Charles Dickens and the dark, satanic mills of the industrial revolution and sweatshops which are hidden’ (Grootaert & Kanbur, 1995: p.2). Cocoa farming in Ghana is generally smallholder family farming in which children work alongside their parents (MMYE, 2008, 2007). Since children working is a culturally embedded norm, its translation as CL needs to be analysed within the socio-cultural context

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<sup>4</sup> Since nearly all cocoa production in Ghana takes place on family farms, the more extreme issues related to CL in the cocoa industry (WFCL, involving trafficking, physical abuse, etc.), which mostly occur only in entrepreneurial farming, do not apply and are thus not considered here; it is specifically on the more ambiguous area of family farming that this thesis is concerned.

and the way in which the traditional Ghanaian concept of a child contrasts with that of the contemporary international.

As the above analysis indicates, it characterises as conceptually opposing perspectives the international (Global North) and local (Global South) ideas of who is a child and what constitutes abuse in the use of CL. This duality is complicated and problematic. The problem arises when ‘global’ is conceptualised only in terms of universal, general laws and events whilst ‘local’ is conceptualised only in terms of specifics, concrete practices and unique cases and events (Fleer et al., 2009). The reality is that we are ruled by two systems, the global and the local. However, global forces that exert pressure to ensure uniformity and conformity of global ideas of childhood and care may in some cases be expressed in the idea that local practices are bad, for example if they do not fit well with a supposedly universal set of markers for good development (ibid).

This thesis posits, therefore, that the disjunction between the global and local conceptualisation of childhood and the line drawn between them creates a gap in the analysis of childhood and related issues such as CL, especially in the context of a commodity value chain such as cocoa where there are strong linkages between the global and the local landscapes. The socio-economic dynamics in the cocoa value chain demand a move from this kind of dichotomy into that of a more complementary relationship in order to unpack the hegemonic structures of power in which childhood is conceptualised and understood as well as how global political, legal and economic decisions affect children’s development as anchored in local practices. *CL issues within cocoa socio-economics demand a global-local conceptualisation.* Therefore, it is imperative that we define and categorise labour in terms of acceptable child participation in cocoa cultivation, taking into account the socio-cultural context so as not to undermine national and international legislation.

### *1.2.3. CL and Approaches to Combat CL*

The discussion so far has established a need to regard childhood and CL as multi-faceted phenomena necessitating, therefore, multiple solutions. As shown (above), legislation has been major tool employed to combat CL, adopted by global and local actors alike. In this regard, there is an on-going debate around the use of legislation that concerns the issue of whether or not to abolish all children’s work. Whereas the *abolitionist approach* proposes a blanket ban aimed at the complete eradication of all CL, the *regulatory approach* proposes that legislation aims to curtail harmful work but only regulate non-hazardous work

(Bourdillon et al., 2009; Orkins, 2010), as well as improve the working conditions of children (Roschanski, 2007).

One argument against the abolitionist approach is that not all work for all children is harmful (Amo, 2008; MMYE, 2007, 2008; Nordtveit, 2010; Orkins, 2010). The ILO Convention 138, Minimum Age for Admission to Employment permits light work from the age of 13 for developed countries and 12 for developing countries; Ghana's Children's Act, 560 (1998) permits light work from the age 13. Therefore, Ghana's *Hazardous CL Activity Framework* (HAF) states that, depending on their age, children are allowed to participate in cocoa production activities, such as watering seedlings, assisting in planting seedlings and scooping beans from broken pods as well as providing minimal help on the cocoa farm for about two hours after school (HAF, 2008). Children aged 13 and above can also undertake some non-hazardous activities under adult supervision during holidays, vacations and weekends. These activities are meant to instil in the child some basic skills and interest in cocoa farming, and, where work causes little or no harm, banning it appears overly restrictive (Camfield & Tafere, 2009; Poluha, 2007). This implies a regulatory approach.

HAF only proscribes (as hazardous) activities like the felling of trees, burning and slashing, carrying heavy loads, climbing high, use of inappropriate tools and equipment, involvement with chemicals and working long duration (over six hours a day).<sup>5</sup> These are pertinent to activities carried out on family cocoa farms in Ghana, where the children are observed do potentially dangerous activities, such as helping their parents in application of pesticides and harvesting pods with sharp metal tools. The important point here is that in distinguishing hazardous work, HAF explicitly indicates non-hazardous work that the children can perform. It does not ban child work, but rather it takes into consideration the various dimensions of combating CL – the issue concerns certain forms of CL, not CL per se. An abolitionist approach raises the stakes to an all-or-nothing confrontation in which the opportunity for less than everything with an option for further expansion is forsaken. Another argument for a non-abolitionist approach is that prohibition for all kinds of work could come at a cost to the short term welfare of the poor' (Ravallion & Wodan, 1999), since some children are breadwinners for their families.

One of the arguments against the regulatory discourse is that in circumstances where the state does not succeed in implementing the ban on certain kinds of work, children inevitably work

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<sup>5</sup> For a full listing, see Table 2.1.

(Lieten, 2011). Therefore, the state may lose the opportunity to regulate children work. This indeed was the case in Ghana, where implementation of child protection laws such as Children Act, 1998 remain little enforced due to institutional weaknesses. The Social Welfare Department, which is mandated by law (Act 560, 2008) to monitor implementation of the Act and ensure children's protection, is seriously understaffed, with an average staff of two per district.<sup>6</sup> In such circumstances, the norms of traditional culture reign in such a way that makes it difficult to develop any change in behaviour towards children.

It is suggested that local structures, especially at the community level, as well as social partnerships in the form of localised networks that tie communities and community groups to resources such as social capital, education, training providers and government should collectively combat CL. For the purposes of this thesis, the definition of community by Wilkinson (1991), cited by Haines & Green, 2002) will be applied. Wilkinson defines community in terms of three elements: territory or place, social organisation or institution providing regular interaction among residents and social interactions on matters concerning a common interest.<sup>7</sup> According to his line of reasoning, a community is a physically bounded territory where people meet most of their daily needs, interact with others in a various forms of organisations, and express common interests through various actions and activities (Bridger & Alter, 2006).

This study, therefore, assumes to adopt a *regulatory approach* combined with *local definition* and discussed within a *socio-economic context*, where *WFCL are prohibited* and the conditions of children working in cocoa farms alongside their parents in family farms will be *regulated and improved*. The HAF is particularly useful here in providing a practical context as well as a global-local dimension for discussing CL issues in Ghana's cocoa sector. This thesis thus analyses the impact of the regulatory approach at a *micro-level using HAF* to evaluate the *Ghanaian government-led CCLMS* in *mobilising social capital to eliminate the 'bad' hazardous, exploitative CL* and *reinforce the 'good' socially and developmentally oriented CL* that is necessary for the survival of the family inclusive of children and has intrinsic value in communities and families for children as individuals and thus for society as a whole.

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<sup>6</sup>These are attached to the local authorities run by District Assemblies, which are either Metropolitan (population over 250,000), Municipal (over 95,000) or District (over 75,000).

<sup>7</sup>This disregards aspects like community of interest, such as professional organisations, which do not significantly impact on this subject matter.

Another tool that has been used to combat CL is education/schooling in the context of human capital development. CL and education are said to be inversely related (Addisu & Gedlu, 2009; Ukoha et al., 2007). Education is seen as a protective strategy (Mojibur, 2004) and said to be a long-term investment in poverty reduction, which is seen as a main cause of CL (Crawford, 2001). However, some scholars, such as White (1996), assert that preventing children from working can bring short-term hardship to the family and that the call for total abolition of children working has paralleled the institution of compulsory full-time education, which is out of tune with reality in developing countries. Two main points are made in support of this: (1) even with the achievement of near universal school enrolment in European countries, CL was not eradicated but rather transformed to the extent that large number of children began combining school attendance with part time employment; and 2) in some developing countries, many children have to work in order to afford to go to school.

Although there is a general agreement about the need to abolish WFCL, Basu (1998) and Jafarey and Lahiri (2002), among others, are of the view that complete abolition of CL is an ineffective approach to dealing with issues of CL considering the many socio-cultural challenges. In the South, the CL issue is embedded in family life and should not be discussed in isolation but within the framework of the socio-economic and socio-cultural environment within which cultivation takes place. In Ghana, for instance, child work and CL occur in the framework of the extended family system (MMYE, 2007). It is acceptable for parents to send their child to live with a relative, such as an aunt, uncle or grandparents living in the same village or town as part of the social bonding network within the kinship system; the upbringing of the child is not only the responsibility of the parents (MMYE, 2008). Thus, activities such as house chores and light work on the farm are considered normal and, indeed, healthy for the proper upbringing of the child; traditionally, working alongside parents on family farms or in family enterprises is seen as important aspect of skills transfer. And it may be rather difficult in practice to distinguish between work and labour, just as there is a grey area between what constitute acceptable and unacceptable child activities.

One important marker here is whether or not and if so the degree to which work/labour impinges on education. Thus, according to UNICEF (2008), one major way of preventing CL is to ensure that all children go to school and have good quality of life. In fact, that is true by definition, but practically, it is clear that addressing this issue is vital for development, both of the child and beyond, of the family and ultimately the country as a whole. Similarly, Nkamleu and Kielland, (2006) hold the view that CL issue is central in the fight against poverty. Rena,

(2009) argues that the attainment of Millennium Development Goal 2 (for universal primary education) could help curb CL. Nevertheless, CL can also occur after school, during holidays and at the weekend. Education is not incompatible with CL, nor hazardous work, and systems aimed at preventing CL cannot just rely on getting children to school.

In respect of education, CL is clearly a complex, multi-faceted and multi-dimensional developmental issue that needs interdisciplinary and multi-stakeholder approach. This thesis starts from the notion that all children should have the opportunity to *fully access education*; it analyses school situations vis-a-vis the different forms of *innovative CL initiatives* from the perspective of the *Ghanaian social context*.

### Utilising Available Capital

Human capital development is closely linked with social capital. Social capital in the family as well as in the community plays a key role in the creation of human capital. A high level of education and financial status of family members, the closeness of the relation between these and their availability and accessibility are all indicators of the human capital available to a child (Toner 2008), facilitating their learning and development. Equally, the operation of community pooled labour in a certain situation will influence the time available for a child's school attendance. This thesis, therefore, strongly advocates for investigation into CL issues from *specific socio-cultural contexts* taking into consideration the *global-local level interactions and influences on socio-economic development*.

Haines and Green (2002) explain how social structures that make possible social norms, sanctions that enforce and the role of community all facilitate the creation of social capital. Coleman (1988), on the other hand, argues that whilst human capital is created by changes that develop skills and capacity and enable these to act in new ways; social capital arises through changes in the relations that facilitate action. Toner (2008) emphasises that the roles of both formal and informal institutions are linked to long-standing traditional and political structures at micro-, meso- and macro-levels and can be voluntary or not; social capital in the community as well as in the family plays a key role in the creation of human capital.

As Cleaver (2000) suggests, however, instead of seeing people as rational and economic-resource appropriators, we can reconceptualise them as conscious and unconscious social agents, deeply embedded in their cultural milieu but nonetheless capable of analysing and acting upon the circumstances that confront them. However, the use and adaptation of pre-existing customs and institutions tend to sub-consciously confer the legitimacy of 'tradition'

on new arrangements, endowing them with a sense that they are part of a generally accepted ‘right way of doing things’ without the individual being particularly rational. This distinction contributes to a duality about what is acceptable and unacceptable. For example, a village tradition may permit a farmer with a large family to put all the children on the farm and the indigenous people would not see it as CL; when it comes to the law, however, such a situation is not acceptable. This encapsulates the issue of global-local interaction and influences on social change.

Within the above context, this thesis analyses the role of *structures and institutions* at *micro-, meso- and macro-levels*, such as community structures, local government institutions, leaders and professionals, farmer organisations, teachers, and relevant stakeholders and their *effectiveness in supporting or hampering the interventions* in the cocoa sector of Ghana.

#### *1.2.4. Defining CL and Work*

In order to investigate these issues, it is essential to make the distinction between child labour and child work in relation to the harmful and non-harmful activities. According to Lieten (2011: 215) child work is considered to be those ‘activities that integrate children into the society and educate them about prevailing social customs’. These usually consist of light work that contributes to family work and is considered normal and indeed healthy to the proper upbringing of the child to become a responsible adult (Lieten, 2011; MMYE, 2007). CL, on the other hand –according to ILO Convention – is work that is likely to harm the child. The ILO further distinguishes this from the WFCL as prescribed by ILO convention 182, which covers *conditional* and *unconditional labour*. The latter is illegal and covers activities such as trafficking, slavery, child soldiering and prostitution, and any child found in these activities should be rescued immediately. The former is basically hazardous work, defined here as work which by its nature or the circumstances within which it is performed is likely to harm the health, safety, morals and/or development of the child.

The idea of conditional labour– which, like hazardous work, applies to CL issues in cocoa farming – enjoins the national government to determine what constitutes hazardous activities. Indeed, it was this that culminated in HAF. This shows how a global approach to issues has to include reference to specific times and relate to concrete practices in all their complexities (Fleer, Heregaard & Tudge, 2009). The essence of HAF is to meet the ILO requirement for national determination of hazardous CL(ILO Convention 182), which shows the global dominance(Northern hegemonic direction of Southern policy), but nevertheless provides an



opportunity to contextualise it in local practices (consideration of the specific socio-cultural context for material application).

Therefore, this study is interested in how the interventions are changing actual social situations, specifically reducing hazardous CL and improving access to education (school). Employing the legal context outlined (HAF, ILO Conventions, etc.), it will also analyse the specific context to advocate for 1) some of the *culturally acceptable CL practices, mechanisms and processes*, as well as for 2) the *interventions* that *ameliorate* these in the context of the prevailing socio-economic conditions, and 3) those that *hinder* the adoption of accepted *international and national standards*. In view of this it will analyse *existing labour arrangements and challenges* and how these are being overcome and how the new interventions are deepening or creating *new labour arrangements for mutual support*.

#### *1.2.5. Livelihood Diversification, Multi-functional Farming and CL*

##### Productivity, Livelihood and Risk

Given that the financial status of parents significantly determines the living conditions of children and their access to facilities as well as, in large part, their development of employable skills for the future (human capital, as a function of social capital), it follows that an understanding of productivity and risk and their impact on livelihoods will be essential in facilitating the exploration of coping strategies being adopted by farmers and children. This is especially so in the case of the recent surge of interventions to deal with CL and increase the productivity in cocoa in Ghana. The study will thus also adopt a *livelihood* approach for an understanding of household-level socio-economic processes, strategies and outcomes and how these are affected by interventions.

There are several definitions of livelihood, all of which emphasise human agency and the capacities of people to shape their lives using the material and non-material assets at their disposal to make a living. At a very basic level, livelihood can be analysed as a system or as a process. The DFID (1999) definition of livelihood comprises capabilities, assets and activities for a means of living; this shows more characteristics of livelihood as a system than as a process. Kaag (2008) explains that a process perspective emphasises access to livelihood elements, including ecological conditions and market prices, which vary across seasons and years. Indeed, in semi-arid regions such as Ghana, the variability of rainfall and soil conditions causes large fluctuations in productivity and crop (De Bruijn & Kaag, 2008; Scoones, 1998), a situation currently exacerbated by the drought conditions of West Africa.

The context within which cocoa farming operates in Ghana, the resources and assets status of cocoa farmers, are fundamental to an understanding of the options open to their strategies adopted to attain livelihoods, the outcomes they aspire to and the vulnerability context under which they operate (Ellis, 2000). Crucial in this respect is their position in the cocoa value chain as smallholder raw-material producers. Throughout the world, the process of agricultural modernisation introduces strong downward pressures on peasant or local production systems (Long, 1977). Modernisation pushes against peasant agriculture in the cocoa industry, which is dominated by multinational companies that enjoy the powers of scale and capital to earn higher profits. Consolidation and concentration of the market by ‘Big Chocolate’ companies, and the processors have been major reasons that the price of cocoa beans has halved since 1980 (Make Chocolate Fair, 2014), which impacts directly on the terms of trade to the detriment of small producers.<sup>8</sup>

The global chocolate confectionery market made net sales of approximately 80 billion dollars in 2012, which is estimated to increase to 88 billion dollars in 2014 (Make Chocolate Fair, 2014). This is set against the very low income of cocoa farmers; the average income per capita per day of a cocoa farming household in Ghana is estimated at around \$1 (Cocoa Barometer, 2012, 2015; Hainmueller et al., 2011; KPMG, 2011). According to Oxfam (2014), cocoa farmers receive only 3% of the retail price of a chocolate bar in 2012. This, coupled with low yields of about (350 tonnes per hectare as compared with 1000 in Indonesia) due to pest and diseases, and seasonal nature of the crop (only providing income on an annual basis), means that cocoa farmers are very poor. Insofar as children are sent to work if the income of parents falls below a subsistence level, means that the macro-economic workings of the system of capital is implicated in Ghanaian CL. Analysis of that is beyond the scope of this thesis, but I do argue that, in addition to regulatory approaches, it is essential to keep in mind the need to tackle *farmer poverty* to, in turn, help tackle the *root causes and determinants of CL*.

In this respect, *price fluctuation* is a key issue, since it is the weak actor in the cocoa value chain, the farmer, who is most vulnerable to changes in return for investment (of labour, land and financial resources). Like all commodities on the world market, cocoa prices are volatile and influenced by many factors, from extreme weather, pests and disease and political instability in producer countries to international investor speculation and global economic cycles. An oversupply of beans in 2000, for example, led cocoa bean prices to fall to a 27-

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<sup>8</sup>On ‘Big Chocolate’, see UNCTAD (2008).

year low (of around \$714 a tonne), while in 2011 prices rose to a 32-year high (of \$3,775 a tonne (Oxfam, 2014). Not only are such changes particularly difficult to cope with for smallholders, but they are generally manipulated by the more powerful actors to their relative advantage in the terms of trade, further pressuring the farmer and impelling the need for CL.

Nevertheless, since farm families are themselves dynamic agents, not just static non-actors passively suffering the blows of fate, they have become increasingly involved in diversifying their livelihoods, which may lead to *de-agrarianisation* (Bryceson 2002a). De-agrarianisation involves the level of agricultural production being actively constrained or even reduced, which often translates into the release of resources into other sectors of the economy. A labour transfer out of agriculture, either temporally or permanently, is common hallmark of this. The increased livelihood diversification raises the question of the future role of commodity production in livelihood strategies over the short, medium and long term. The implication is that economic difficulty can actually lead to a decrease in CL.

This view has been challenged. Knudsen (2007), for instance, has argued that this is not very evident in respect of the cocoa sector, insofar as there is no simple move to de-agrarianisation and consequent reduction of farming labour; using Ghana as a case study, he asserted that, actually, a ‘diversification of income from farm to non-farm activities bears with it a significant dynamic relationship between the two’(ibid.:20). Clearly this is a complex issue, but the relationship that exists between farm and non-farm diversification must be treated as important to CL. In this thesis, therefore, the *concept of livelihood diversification* will be employed, referring to the process whereby *households construct their livelihoods* from a *range of activities* in their struggle to survive and cope with or recover from stress and shocks and in order to improve their standard of living (Chambers & Conway, 1993; Ellis, 2000; Knudson, 2007).

According to Ellis (1999) and Barret and Reardon (2000), diversification can be used to reduce farmers’ vulnerability by generating alternative sources of income. Studies around the world also point out that farming households seldom specialise in one income-earning activity but spread their risks through a number of income generating activities (Barret et al., 2005; Carney, 2002; Ellis, 2000, 2004; Knudsen, 2007; Lay & Schuler, 2007; MMYE, 2008; Scoones, 1998; Stifel, 2010). Livelihood diversification thus presents opportunities for farmers to reduce their risk and increase their income (Barret et al., 2001, Ellis, 2000). Planned diversification can be a means for smoothing consumption and reducing the risks associated with agriculture, but the decision to either remain in farming or to set up non-farm activities

(de-agrarianisation) or both (livelihood diversification) has obvious implications for labour use requirements, particularly in peasant production systems, such as for cocoa in Ghana.

According to ILO (2012), income from alternative livelihoods may lead to two possibilities: the gradual replacement of traditional livelihoods or part of the income generated by the alternative livelihood being re-invested in the traditional livelihood, such that a coexistence of both approaches can be maintained. This dual system provides a buffer against climatic variations and economic shocks and stress, thus conferring stability and sustainability on rural livelihoods (Chambers & Conway, 1993). Since cocoa production dominates the Ghanaian crop subsector, contributing about 8.2% to its entire agriculture GDP (MoFA, 2010), the maintenance of a peasant system within the dual context has broad implications, including as it pertains to CL.

In order to meet household needs, farmers increasingly construct an asset-income mix to increase their income and reduce their vulnerability. Livelihood diversification therefore forms an essential part of farmers' activities in many rural settings. Farming households require social, physical, financial, natural and human capital or resources to diversify their livelihoods (Carney, 1998; de Janvry & Sadoulet, 2000); the extent to which they diversify depends on their asset mix or capital available and the capabilities of the farming household (Asmah, 2011; Barret et al., 2002). Even where households have comparable endowments, the production techniques, preferences, limitations and incentives attached to particular livelihood activities may vary (Asmah, 2011; Iiyama, 2006). These various factors and considerations are essential for this thesis; in particular, the capital available to farmers will be categorised into *endogenous* or *exogenous resources*, in order to ascertain whether the decision to diversify is influenced by the resources available to farmers within their own environment (endogenous) or outside their environment (exogenous), as well as how that influences the choice to remain in agriculture or move to non-farm activities and how that, in turn, impacts on the division of labour, including CL. This thesis is again interested in establishing how the livelihood level of the household influences the *sharing of resources and workloads between children and adults* as well as the *coping strategies* adopted by them.

Although *rural development* is strongly linked to robust agricultural sector growth, it is clear that the agricultural sector alone cannot be relied upon as the core activity for improving the livelihoods of farm households, and *support for non-farm diversification opportunities* is gaining prominence in rural development literature in Ghana (Lay & Schuler, 2008; Stifel, 2010). Indeed, the relative importance of non-farm activities in rural areas is well documented

across Africa (Barret et al., 2001; Reardon, 1997; Reardon et al., 2001). Analysing African non-farm diversification in recent times, Bryceson (2000) pointed that out of 67% of households in Doma, Nigeria, were involved in nonfarm activities, 43% of which had not previously engaged in previous economic activity, and over 50% of households in Mwansa, Tanzania had started non-agricultural activities only since 1990.

In Ghana, it is estimated that some 46% of households operate non-farm enterprises (GSS, 2008). Knudsen (2007) gives further credence to this observation among cocoa farming households in Ghana. Similarly, Agyeman et al. (2014) also notes increasing diversification among farming households in the Western Region of Ghana, the highest cocoa producing region in Ghana (see below 1.5.2). Lay and Schuler (2008) also point out that changes in the income portfolios of asset-poor households are likely to push them into activities off the farm to meet subsistence needs. A case study of four rural communities in three ecological zones of Ghana by Oduro and Osei-Akoto (2007) confirms this observation.

Some analysts see the growing trend of non-farm activities as a natural progression from a predominantly agrarian economy into a diversified economy (Bryceson, 2002; Ellis & Freeman, 2004). Some researchers also argue that although there are benefits from non-farm activities and a widespread income diversification in rural Africa, not all households and groups enjoy equal access to income from non-farm activities (Barret et al., 2001; Canagarajah et al., 2001; Reardon, 1997). This notwithstanding, studies have found positive relationships between households' welfare and their involvement in non-farm activities (Barrett et al., 2001; De Janvry Stifel, 2010; Sadoulet 2001; Smith et al., 2001). These studies have found that rural households with the potential to diversify their income sources into non-farm activities are relatively better off than those that depend on farm activities alone or take up non-farm activities as their less important sources. This thesis posits that livelihood diversification approaches are important for consideration and need to be investigated. An *integration* of regulations and innovation approaches within a global-local framework are proposed to be effective in combating poverty-induced CL in the subsistence smallholder rural agriculture system.

An extension of the concept of diversification is *multi-functionality of agriculture*, a broader concept that includes *non-commodity outputs*. Potter and Burney (2002, cited by Frantal & Martinat, 2013) explain the idea that agriculture is multi-functional, producing not only commodities but also sustaining rural landscapes, protecting biodiversity, generating employment and contributing to the viability of rural areas. Using modern as well as local and

traditional knowledge can facilitate multi-functional approaches to agriculture that benefit small-scale producers (Ollikainen & Lankoski, 2005) in recognising the different roles and functions of agriculture to outputs like environmental services, landscape amenities and cultural heritage (OECD, 2003; Ollikainen & Lankoski, 2005; Vatn, 2002). Multi-functionality is also seen as a way to rationalise payments for the non-commodity goods and services that are produced alongside commodity goods and which also support national goals, including rural development and food security. It could be deduced that the two generate similar outcomes. Demand on the cocoa value-chain to promote environmental protection means that the social and economic viability of the sector is closely linked to the discourse of multi-functionality.

Allied to the multifunctionality approach is that of third party certification (TPC), by which farms, in this case, gain certification from a 'third party' as a guarantor of meeting minimum standards in certain respects. This operates on standards built on the three pillars of environmental protection, social equity and economic viability. While economic sustainability looks at increasing productivity in both farm and non-farm terms, with increased price, and therefore enhanced incomes to farmers, environmental sustainability promotes biodiversity, enhanced ecosystems and reduction of negative impact on the environment, and social criteria, which form critical part of all certification initiatives, are aimed at reducing WFCL including hazardous labour. This thesis explores how TPVCC could be exploited as a conduit to promote multi-functional agriculture.

#### *1.2.6. Globalisation and Innovations*

The global and the local, it is argued are (nowadays) so integrated as to be embedded in and (re)constitutive of each other such that neither can be regarded as a unilinear process (Araghi, 1995; Quaye et al., 2010). Taking an imaginary view of the globalised world, Appadurai (1990) explained the interwoven nature, dynamics and fluid of its landscape. Indeed 'increasing attention is being witnessed on how global influences are mediated by the local and regional response' which is revealing that 'modernisation and acculturation theories that feared for growing homogenisation and predicted Westernisation of production systems and practices proved not to hold' (Wilk, 1999, cited by Dorresteyn, 2014: 14). For instance, multi-stakeholder partnerships to tackle collective challenges are emerging as new forms of value chain governance (Sietse & Wijk, 2014). Lead firms may be forced to share more of their governance power in a chain and compromise between generic control and creating room for

the adoption of local rule, with practices that, in the present case, target the sustainability of the cocoa sector in Ghana.

*Global-local interactions* can be thought of as the flow of ideas, technologies, information, culture, money and goods with the end goal of protecting and rebuilding local economies worldwide (Quaye et al., 2010: 358). Terms such as ‘hybridisation’ (Pieterse, 1994) ‘glocalisation’ (Bauman, 1998; Robertson, 2001), ‘indigenisation’ (Appadurai, 1996), ‘global-local nexus’ (Llambi, 2000; Teo & Li, 2003), ‘global meets the local’ (Thorns, 1997) and ‘globalisation’ (Ritser, 2004; Ruivenkamp, 2007) are all reflections of scholarly interest in appreciating how global-level development interacts with and affects local-level development and how globalisation shapes and mediates local influences, especially in emerging economies, such that the global-local interface is expected to create new innovations (Leeuwis, 1999), reconstruct social knowledge (Feenberg, 2010; Leeuwis, 1999; Ruivenkamp, 2008) and overcome complex social and economic problems (Leeuwis & Pyburn, 2002; Van de Kerkhof & Wiecsorek, 2005).

Therefore, the reduction of CL, enhancement of the labour situation and improvement in the livelihoods of farmers will require connecting the local institutions to existing global structures and building upon local capitals, such as social connections or networks, norms and trust, all of which can facilitate cooperation in society and ultimately have positive effects on economic performance (Ensminger et al, 2000; Putnam, 1993). Connecting the global to the local will mean innovations, which in turn means deliberate interventions designed to initiate and establish future developments concerning technology, economics and social practices (Howaldt & Schwars, 2010), as a ‘a new way of doing things’ or even undertaking new things, with new ideas, (Lee, 1999) and new attitudes and values (Wiskerke et al., 2003) in which communities develop a range of social-organisational arrangements (Van Schoubroeck, 1999), such as forming farmers’ groups to access certification. This notion enables us to understand that an innovation is not only composed of novel technical devices or procedures, but also of new or adapted *human practices*, including the conditions for such practice to happen.

Current approaches tend to theorise innovation in systemic terms, in terms of processes that involve, at each moment, many actors, their relationships and the social and economic contexts in which they are embedded. Furthermore, innovations have a collective dimension in that they require co-ordinated action by different actors and are closely linked with reorganising support networks and negotiating new arrangement between various

stakeholders. It is precisely the hybridising of the global and the local that brings about the ‘new ideas’ – such as TPL and farmers’ certification groups and community CL monitoring (CCLM) systems.

But there is also a tension between global and local perspectives. Classically, as described, the global sees CL in cocoa farming and the local in Ghana sees child help on the farm and in the village. The opposition between the two perspectives constrains hybridisation. The challenge then becomes how to resolve the tensions and create a *synergy* of the global and local ideas/perspectives where a mutual relationship is created and the ‘good’ in each is socialised whilst the ‘bad’ discarded. To overcome the challenges between the local and the global there is the need for *multi-level, multi-actor collaboration*.

Unlike business or institutional innovations that are primarily motivated by profit maximisation, social innovations are socially acceptable, relevant and ethically appropriate (Bock, 2012) and implemented by organisations with the primary focus of improving a social phenomenon (Mulgan, 2007). This may be achieved by *socialising innovation methods* and *reorganising innovation* as a *social and collective learning process* with the purpose of the common definition of problems and common design and implementation of solutions (Bock, 2012). It also means that local organisations are resuscitating local institutions to confront the challenges of farmers related to things like labour and livelihood. These institutional, social and even economic arrangements have the capacity to reduce the *transaction costs* associated with the market economy and also help farmers to gain knowledge on innovative production systems. Recent theories of innovation use the concept of socio-technical innovation to explicate the inseparability of the social and technical in processes of innovation (Bock, 2012; Smith et al., 2010).

Also, as Pingali, Khwaja & Meijer (2005) point out, reduction of the transaction costs associated with the market economy has the tendency to transform farmer institutions. Since transaction costs include the costs of information, negotiation, monitoring, coordination, and enforcement of standards, changes in their nature and sources costs are important. Such change may require both government and private organisations to monitor and correct market failures since the removal of governmental interferences and the devolvement of public sector activities to private contractors have not produced consistently successful results (Schouten & Van Dijk, 2007; Williamson 2000). A social reconstruction of knowledge also assumes that, in any given situation, a person’s thoughts and beliefs are not neutral but are influenced by social pressure and perceived political, economic, relational and normative interest, since



people believe that it is in their interest to act in certain way given the social pressure experience (Leeuwis, 1999; Ruivenkamp, 2008 ).

Another approach involves starting from *innovation systems*. According to Geel (2005), innovation systems can be defined on various levels. These include the national (local), regional and sectorial levels and include the dimension of the *multi-level perspective* (MLP). Geel (2005) explains that the MLP is an approach that focuses on technology and emphasises co-evolution of technology and society. Smith et al. (2010) agree that the MLP is able to provide a relatively easy way of analysing the structural transformations in production and consumption demanded by the normative goal of sustainable development. The MLP seeks to understand system innovations using a nested hierarchy of structuring processes.

The MLP organises analysis into a *socio-technical system* that consists of niches, regimes and landscapes. Smith et al. (2010) explain socio-technical *regimes* as the mainstream and highly institutionalised approach of achieving societal function. The *niches* are the locus for radical innovation. Niches also provide space to build the social networks which support innovations, e.g., supply chains, user–producer relationships. The regimes are the social institutions that provide ‘the rule-set or grammar embedded in a complex of engineering practices, production process technologies, product characteristics, skills and procedures, ways of handling relevant artefacts and persons, [and] ways of defining problems’ (Rip & Kemp, 1998: 340; also Geel, 2005: 77; Bock, 2012). Regimes tend to produce ‘normal’ innovation patterns, whilst ‘revolutionary’ change originates in ‘niches’ (Smith et al. 2010). The socio-technical *landscapes* are the aspects of the society that cannot be directly changed by the actors. The landscape provides the macro-level structuring on which both niches and regimes operate. Examples are the material and spatial arrangements of cities, highways and electricity infrastructure.

Most of the innovations in the cocoa sector of Ghana have arisen and are developing as a response to the criticisms and attacks on the industry, dominated over the past decade by the issue of CL (Clark & Gow, 2011). The innovations processes in the cocoa sector are more in the style of systems than linear, as they include linkages between farmers, government and business actors and NGOs. Whilst the government implements the CCLMS to ensure that CL is controlled and monitored in the country, independent certification bodies sponsored by business actors implement certification standards to ensure that certain production processes are adhered to. The farmers’ way of innovation in the cocoa sector, on the other hand involves diversification to increase income and reduce risk.

### **1.3. Problem Statement**

In view of the emerging pressure from local and global consumers on food supply chains, business enterprises are compelled to invest in and focus attention on the relationship with customers and suppliers. This has led to companies paying attention to ethical sourcing. The Global Chocolate Industry was widely accused of profiting from child slavery and trafficking by consumers, human rights advocates and NGOs and governments (in the North) after the media exposed trafficked children being forced to work in cocoa farms in the Ivory Coast and, by extension, West Africa. The industry faced threats of trade sanctions and bans on importation of cocoa from countries producing cocoa with CL, led in the US by Senator Thomas Harkin (IOWA) and Representative Elliot Engel (NY). Subsequently, the industry was compelled to adopt the Harkin-Engel (H-E) Protocol in 2001, which aimed at ensuring that cocoa beans and their derivative products are grown and processed in a manner that complies with ILO Convention 182 concerning the prohibition and immediate action for the elimination of the WFCL.

The evolution of ethics in business operations linked to human rights issues and specifically the rights of the child and even more specifically CL has been based on two main types of argument: economic and moral (Mansoor, 2004). The economic aspect suggests that producers deserve a better living conditions and wages than are being dictated by the current terms of trade, which favour the transnational processors (above). The moral aspect, on the other hand, implies that products produced by workers and producers under deplorable conditions that include CL are against their fundamental human rights as enshrined in international laws and conventions. Abolitionist critics, however, must deal with difficult realities in their position, including that outright bans may be counterproductive, such as the case of Bangladesh child workers dismissed from work who ended up in worse situations (Mansoor, 2004). Such a simplistic, blanket approach will have devastating consequences both on the industry as a whole and the producing countries, as their economies depend on the foreign exchange derived from cocoa.

Regarding the legal provisions already in place, some international conventions that recognise the rights of the child are specific to agriculture, while the Convention of the Right of the Child (CRC, 1989), and ILO Conventions (138, 29, 182) have crystallised in the international concern of child activity in cocoa farming and other sectors. Many international instruments, such as the CRC, epitomise the right based trajectory. The CRC places obligations on governments to respect, protect, and fulfil the right of children without discrimination while

upholding the responsibility of parents to promote the well-being of children (in Articles 2, 5 and 18).

The obligation of farmers or producers and their communities to improve the protection of children has socio-economic implications. First, it challenges the socio-cultural values and practices of local communities, and secondly, it means finding alternative ways to replace CL. The concept of business ethics has therefore imposed responsibilities as much on enterprises as on government and farmers. These three actors in the cocoa industry need to come up with innovative interventions to address CL.

Ethical sourcing or trading has therefore become critical in the global cocoa supply chain. This involves manufacturing companies taking responsibility for the social and environmental performance at other stages of the chain, especially for the primary producers, and address the economic returns of cocoa farmers. The corporate social responsibility (CSR) initiatives launched by various chocolate companies, especially the adoption of voluntary certification initiatives in response to the global concern relates to the effects of globalisation and modernisation on local producers and landscape. Business approaches to this kind of issue, however, tend to be controversial on the grounds that business actors are seen as merely white-washing their behaviour, especially in the recent years (ILRF, 2008; Neil, 2011). They are also sometimes criticised as just another means of certification by which some producers are supported but others are excluded, clearing the way for big business to tap into an artificially constructed, emerging market. There are historical reasons also to be wary of the ability of business to deal with this, in that, wilfully or otherwise, the chocolate industry certainly seems to have underestimated the extent and nature of WFCL in cocoa farmers in West Africa and the socio-economic context in which it is embedded and then underestimated the scale of what was required to rectify this to the extent of actually doing remarkably little (ILRF, 2008).

There has been a plethora of voluntary initiatives and organisations aimed at ensuring the smallholder farmers and workers linked to global food systems benefit from or at least not harmed by company sourcing strategies (Barrientos & Dolan, 2006). On the consumer side, demand for certified cocoa increased by 130% in 2011-12 (Cocoa Barometer, 2012), although the limitation of the quality, scope, ability of auditing organisations such as the Rain Forest Alliance, UTZ Certified and Fairtrade Labelling Organisation (FLO) is likely to dilute the original mission of fair trade movement (Sekine et al, 2008). Nevertheless, the emergence of TPVC initiatives such as Fairtrade, UTZ Certified and Rainforest Alliance are seen by

industry as tools to assist in reducing unsavoury reputation and improve sustainability of supply networks without weakening its long-term viability.

Many researchers hold the view that cocoa certification presents a more profitable option for smallholders in terms of higher productivity than existing production systems (Afari-Sefa et al., 2010; Gockowski et al., 2013; Quarmin, 2013). The productivity resulting from cocoa certification and traceability initiatives has been widely analysed (Bacon, 2005; Faturoti et al., 2012; Hainmueller et al., 2011; Kilian et al., 2006; KPMG, 2012). However, the *social dimension* especially the *impact of certification on reducing CL and improving adult labour situations* has seen little analysis. According to a KPMG/ICCO (2012) study, in spite of the extreme importance for the long-term success of certification in eliminating CL, substantial field evidence on its impact is still not available.

Just as business initiatives are little trusted so also are public approaches questioned. There is generally considerable scepticism about how effective these can be given the close relations between governments and the trans nationals. Some NGOs are collaborating in the implementation of the H-E Protocol, while others are critical, claiming that it is useless for the regulation of powerful corporations (ILRF, 2008). For instance, the government of Ghana and industry adopted a public certification system defined by industry and claimed to be transparent and credible and maintained as a progressive process that reports on the incidence of WFCL and forced adult labour (FAL); however, the voluntary nature, enforcement mechanisms and impact of the system on labour have all been heavily criticised (ILRF, 2008; Masurek, 1998; Neil, 2011), while the industry has been roundly attacked also on the grounds that ‘none of the activities undertaken under the auspices of the Protocol has attempted to monitor or improve labour conditions within the cocoa supply chain of any chocolate company’ (ILRF, 2008: 2).

Furthermore, smallholders largely do not have a solid bargaining position, many farmers cannot invest in their smallholder farms and young people are abandoning cocoa for other sectors. In fact, it is feared that a severe labour shortage is envisaged in Ghana in the near future due to the non-interested posture of young people coupled with aging farmers (average age of 60) and life expectancy rate of 60 years (Cocoa Barometer, 2012: 3-5). If this is compared with the situation in which demand for cocoa is expected to rise by one million tonnes in the next decade – a quarter of the current world production – then labour and livelihood issues are clearly critical areas that need immediate attention.

## **1.4.Thesis Objectives and Research Questions**

Bearing in mind the challenges mentioned above, this study investigate ways by which farmers, government and business actors innovate in the cocoa sector as they operate at micro-, meso- and macro-levels. It focuses on implications for farmers livelihoods and children social situations, particularly in respect of hazardous work and school attendance, of the new actors and networks being created, along with the institutional and structural (global and local) advantages/disadvantages that might support/hinder their effectiveness and identifying policy implication(s) for their sustenance.

### *1.4.1. Overall Research Objective*

The overall objective of this thesis, therefore, is to establish the kinds of innovative initiatives that are being implemented in the cocoa sector to reduce the WFCL and improve the livelihoods of farmers and explore how these can offer opportunities for sustainable structural change to take place. In order to achieve this central objective, the study addresses the following research questions:

- 1) Does the Community Child Labour Monitoring System (CCLMS) have the potential to mobilise social capital to combat child labour CL?
- 2) How is business actors-led third party certification(TPC) being implemented, and what are the implications of this in driving change in the labour conditions of children and livelihood of farmers?
- 3) How and to what extent are cocoa farmers diversifying their income and what factors are influencing their diversification decisions?
- 4) What concrete policy measures need to be taken for sustainable change to occur?

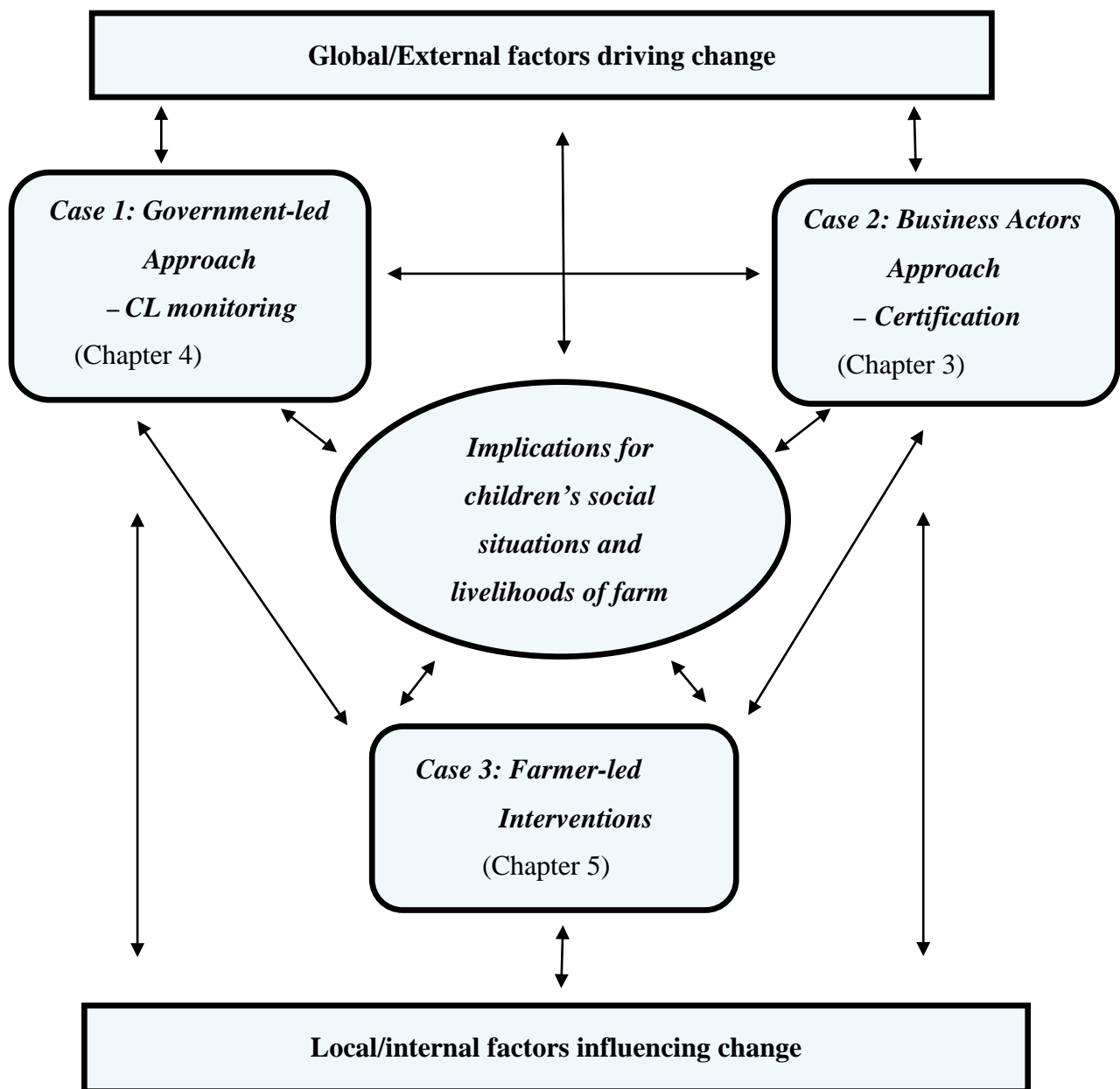
These research questions require an understanding of the various innovative interventions that target children and farmers and the effectiveness of these interventions, the resultant changes in relation to emerging strategies and the policy directions that are needed for sustainable positive social change to occur. Behind these phenomena are underlying, structural social mechanisms influencing action and practice. Unearthing these systems as they exist comprises a study of milieu, which therefore requires interdisciplinary and case-study approaches combined both with qualitative and quantitative methods.

The ILO 2010 report indicated that ‘in broad terms we know what to do about CL but the problem lies in detail’ and that assessment of country’s interventions to drive change will ‘potentially demonstrate how national levels outcomes have been achieved’ (ILO, 2010: 66). For the cocoa sector of Ghana, this constitutes a gap in the empirical literature that needs to be filled for sustainable change to be achieved. The present study, therefore, examines CL and its effects on children by analysing the extent to which the various interventions implemented have succeeded in reducing CL without undermining the livelihoods of farmers and children. The study further examines the factors that promote or hinder the effectiveness of these innovations and explores the coping mechanism being adopted by farmers, children and stakeholders in the light of these factors.

## **1.5. Thesis Approach and Methodology**

### *1.5.1. Conceptual Model*

Three case studies are pursued –Case 1: the Government-led Community Child Labour Monitoring System (CCLMS); Case 2: business actors-led third party voluntary cocoa certification (TPVCC); and Case 3: farmer diversification. The primary aim of these studies is to analyse how the different initiatives of government, farmers and business actors are being implemented in Ghana, their effects on labour in cocoa production systems and the livelihoods of farm families, as well as to explore the policy implications for sustained cocoa production in Ghana. The study further analyses both external/global factors and local/internal factors driving and directing change to show how global level development interacts with and affects local level development and how globalisation shapes and mediates local influences. Figure 1.1 presents the conceptual model employed by this thesis in diagram form.

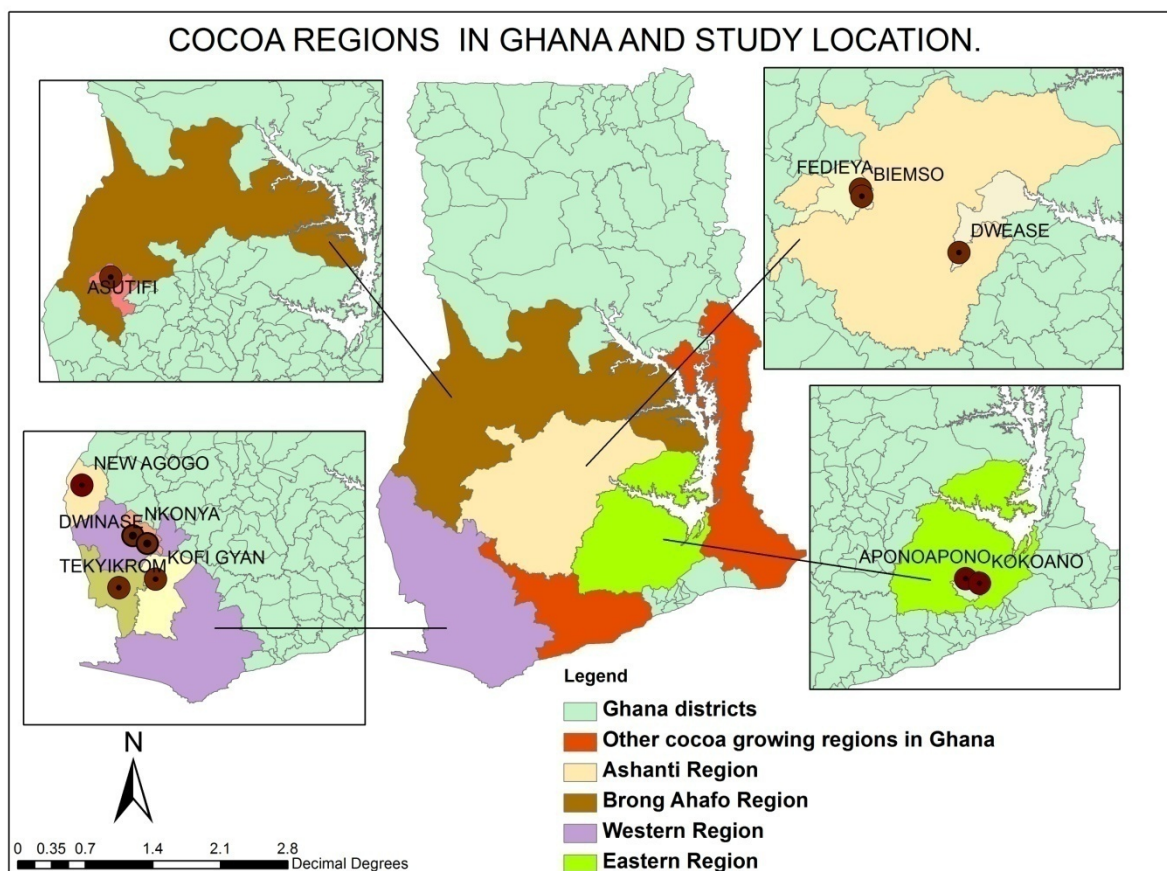


**Figure 1.1.**Thesis conceptual model

### 1.5.2. Methodology

#### Spatial Scope and Case Studies

The study focuses on the four regions producing cocoa in Ghana, namely the Western, which is the highest producer of cocoa, Ashanti, the second highest, and the Brong-Ahafo and Eastern Regions (Figure 1.2). These four regions were chosen because, apart from the fact that they represent all the categories of cocoa production – highest, average and low production areas (MMYE, 2008) – they are also considered cocoa regions with a high prevalence of CL (MMYE, 2009).



**Figure 1.2.** Cocoa Producing Regions in Ghana and Study Locations

As indicated, the study adopts an interdisciplinary approach to embed it in theory, employs both quantitative and qualitative methodology and uses a case-study approach as a primary vehicle to address the research questions and meet the wider objectives. The case-study approach allows a contextual analysis of human interaction (Leeuwis & Ban, 2004). A case study can be defined as a research unit; Stake (1995: 2) defines it as an ‘integrated system with boundaries and working parts; it is purposive and even has a self-element.’ He



differentiates between two kinds of cases: the intrinsic case and instrumental case. A case is intrinsic in the sense not that by studying it we learn about other cases or about some general problems, but because we need to learn about that particular case. There is an intrinsic interest in the case. This is not the type of cases that are analysed in this thesis. A case is instrumental in that it may afford insight into and general understanding of a research question or a puzzle, which is the case-study type employed here

A case-study approach aims to understand the ‘whole’ by investigating a case under consideration within its wider context, and is particularly helpful when ‘how’ questions are being posed (Ombis, 2012). Case studies are effective in investigating social phenomena to preserve the unitary character of the social object being studied (Goode & Hatt, 1952). According to Yin (2003, cited by Ombis, 2012), case study is necessary when an investigation must cover both a particular phenomenon and the context within which the phenomenon is occurring, either because i) the context is hypothesised to contain important explanatory information about the phenomenon, or ii) the boundaries between phenomenon and context are not clearly evident (Yin, 1993). Case studies can be exploratory, descriptive and/or explanatory in nature (Yin, 1994, 2009).

Exploratory case study was adopted as a primary research methodology (Yin, 1999; Franke, 2005) to embed it in an appropriate context. This enables detailed analysis of concrete initiatives and/or specific interventions within projects and processes, benchmarks, indicators, rationale and considerations, and social and economic networks. The present study adopts a multiple case-study design instead of single (De Vaus, 2001) to more effectively understand the various innovative interventions being led by the selected actors – government, farmers and business – as well as to cover for the variability within each case.

Again, a case-study approach allows an interdisciplinary approach as well as the usage of quantitative and qualitative research methods (Yin, 1994), since most cases rely on multiple sources of evidence and benefit from a prior development of theoretical propositions. Case study also allows for data collection from a wide range of resources, such as interviews, focus group discussions, informal conversations, project reports, policy documents, websites and other media. Exploratory case study was adopted as a primary research methodology while the quantitative survey method was used to confirm results from the case studies, especially on children social situations, such as school attendance and CL and hazardous work.

This research required a standard measure for recordings in the villages to be used in the case studies. There are varied indices for measuring the extent of diversification of rural households, but the two most widely used are the Herfindahl index and the Simpson's Index of Diversity (SID). The Herfindahl index estimates the degree of concentration of activities based on income shares as a single number from zero to one with perfect specialisation assuming the value of one and zero being diversified (Barrett &Reardon, 2000). This index fails to consider the spread of income distribution, however. The SID measures the extent of diversification of households by averaging all values in the range of zero to one. Contrary to the Herfindahl Index, the closer the number to one, the more diversified the household and vice-versa. The SID has an advantage over the Herfindahl index, therefore, as it takes into account both the number of income sources as well as the even distributions of income among the sources (Saha & Bahal, 2010; Minot et al., 2006). It also gives relative best results, and as such, it is the preferred method, used widely for assessing livelihood diversification (e.g. Saha & Bahal, 2002; Sujithkumar, 2007). Therefore, this study also uses the SID in estimating the extent of diversification among cocoa farming households in Ghana.

This research represents and in-depth assessment using the exploratory methodologies of three case studies to ascertain the mechanisms, process and institutional arrangements that show the effectiveness of interventions and the benefits farmers and children are deriving from such interventions. Data gathering techniques included participant observations, in-depth interviews, key informants and focus group discussions (FGDs). Participant observations and focus group discussions were undertaken with selected categories of people at community, district and national level in order to understand the various processes as they operate in reality, 'on the ground'.

Children's views were very important to this study, and these formed the bulk of the interviewees. The children were grouped by age to enable the views of all the relevant age groups to be known. A total of 33 different interviews were undertaken in the eleven communities according to three age categories of children: 8-12 years, 13-14 years and 15-18 years. These categories were chosen based on the categorisation made by the Children's Act 1998, Act 560 and HAF (13 years for light work, 15 years minimum age of employment and 18 years for all work).

With regard to adults at the community level, the categories included male and female cocoa farmer and adult worker groups. In-depth interviews with key informants were done at the community, district and national levels. This included opinion leaders, community chiefs,

teachers, district officers and national officers. Thirty FGDs were conducted with stakeholders, mostly at community level, with male and female cocoa farmer and adult worker groups. In-depth interviews were used to assess the processes and relationships within which the interventions are being implemented in the context of power dynamics, access to resources and social and organisational structure that regulate, coordinate and exert pressure on the actors concerned. One-to-one interviews were conducted with the relevant actor groups on their roles and major steps towards more sustainable change.

In addition to the literature review of relevant policies and the international work on policy instruments that have been applied in the elimination of CL in the agriculture sector, draft policy guidelines and recommendations for improvement in the cocoa sector in Ghana were to be made. For a clearer global perspective, the researcher participated in international cocoa conferences, including the World Cocoa Conference<sup>9</sup> and World Cocoa Foundation<sup>10</sup> meetings, and national workshops, such as the national and regional plenary sessions of the Ghana Cocoa Platform and meetings that discussed cocoa sustainability, CL issues and livelihoods. The informants were mostly employees across different institutional levels within the communities and organisations involved in the study. These were supplemented with documentary evidence, including annual and internal reports that formed the basis for policy recommendations.

### Criteria for Selection of Case Studies

#### **Target/beneficiary criterion**

The ultimate beneficiary of the project will better discover the effectiveness of that project. This is critical in assessing whether an approach used for implementation is appropriate. The various approaches used for the various interventions are intended to enable the establishment of linkages, factors, structures and process that are important for effective impact. One project was to be selected from each group to be critically assessed in respect of the mechanisms, process and institutional arrangements that show the effectiveness of these interventions and how the beneficiaries are benefiting from such interventions as against areas where no such intervention is being implemented. This calls for qualitative methods, such as direct

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<sup>9</sup> The International Cocoa Organisation (ICCO) has been organising the World Cocoa Conference since 2012 to bring all global stakeholders together to consider issues related to the sustainability of the cocoa sector. The 2014 conference was held at the Rai Exhibition and Conference Centre, Amsterdam in the Netherlands, 9-13 June, with the theme 'Towards a Sustainable World Cocoa Economy: Mapping Progress along the Road'.

<sup>10</sup> WCF's 26th Partnership Meeting, held in Copenhagen on 15-16 October, 2014, reflected on the theme Connecting Certification, Standards, and Sustainability.

observation, in-depth interviews and desk research, to obtain information on the historical background, characteristics and stakeholders of selected beneficiaries.

### **Sources of funding**

In addition to the above, for project selection to ascertain sustenance, it matters whether it is publicly, privately or public-private funded. Funding sources may have their leaning in terms of the underlying assumptions of why funding is provided. It is believed that public sources of funding will be more humanitarian and institutionally focused, whilst the private sources may have an element of future commercial considerations. In cocoa production, both the private sector, especially the global chocolate industry, and the producer country government may have commercialisation as one of the main motivation of funding, since both are promoting high productivity. Both the government and the global chocolate industry aim at increases in cocoa production to increase GDP and profits, respectively. Apart from this common interest, each has other underlying considerations, such as moral issues and fundamental responsibilities. Therefore, the selection of a project with a private-public partnership can be expected to show a range of commonalities and also different factors motivating each actor.

## **1.6. Structure of Thesis**

The thesis is organised into six chapters. The first chapter which is an introductory part has outlined the theoretical framework vis-a-vis the position of this research focusing on CL, globalisation, livelihood diversification and innovation concepts, in addition to presenting the problem statement, the objectives of the research and methodology.

Chapter 2 offers a general overview of the cocoa sector of Ghana and socio-economic importance of cocoa to the Ghanaian economy, detailing the historical development and major policy changes geared towards the improvement of productivity and livelihoods of farmers. This chapter also outlines the major sector policies that have determined the growth of the cocoa sector in Ghana. The main emphasis is on improving productivity and the challenges facing small-scale cocoa farmers in Ghana, well as labour demands and the emergence of the issue of CL in cocoa socio-economics.

Chapters 3, 4 and 5 present the three case studies and thus empirical findings of this thesis. These case-study chapters investigate the external and internal factors effecting change focusing on the three innovatory approaches as led by the three key actors. Chapter 3

analyses the Government of Ghana-led CCLMS as remediation and monitoring tool to free cocoa production from the WFCL and trafficking. This chapter seeks to understand how the CCLMS operates and its ability to mobilise or generate social capital to deal with WFCL and also to investigate emerging household labour rearrangements to facilitate a more sustainable change in cocoa production systems.

Chapter 4 sets out to understand business actors-led TPC as an innovation and its potential in reorganising cocoa production systems in Ghana. The study explores TPC as a key innovation in the cocoa production system of Ghana, including the use by farmers of *nnoboa* – a form of mutual support in which farmers help each other on their farms in turns – to comply with the many rules and guidelines pertaining to certification.

The last empirical chapter (Chapter 5) explores innovations being implemented by farmers to improve their livelihoods and that of their children. It investigates how farmers are diversifying their sources of livelihood to augment their income in the context of seasonality of cocoa production, low productivity and low income and the implication of these on cocoa sustainability. It also presents the results of the investigation into the socio-economic relations being created by farmers to augment their income as well as insights in the resource requirements for diversification and the implications of these on the livelihoods of farmers.

Finally, Chapter 6 presents the conclusions of this thesis. It identifies areas for future research and provides policy recommendations.

## **CHAPTER 2**

### **Study Context**

## **2.1. Introduction**

This chapter contextualises the study and presents a general overview of the cocoa sector in Ghana. It is subdivided into five sections. The historical development of cocoa is explained in the first section, after which the process of marketing of cocoa in Ghana is detailed. The third section looks at the socio-economic importance of cocoa to the Ghanaian economy, followed by a fourth section that discusses the challenges in the sector and its impacts on the livelihood of cocoa producers. The chapter concludes with a review of the main labour issues in Ghana's cocoa sector.

## **2.2. Historical Development of Cocoa Production in Ghana**

The Republic of Ghana established upon independence of the territory from Britain in 1957 covers an area of 238,540 km<sup>2</sup>. Directing the development of agriculture in the country are four agro-ecological zones: the savannah (Sudan savannah and Guinea savannah in the northern part of the country), transitional (forest savannah transition), forest (semi-deciduous forest and rain forest) and coastal savannah zones.

Cocoa cultivation in the Americas spread from the Spanish to the British, French and Dutch West Indies (Jamaica, Martinique and Surinam) in the 17th century and to Brazil in the 18<sup>th</sup>, where large-scale production was initiated. From Brazil, it was extended to West Africa, first, in 1840, to Sao-Tome and Fernando Po (now part of Equatorial Guinea), and then from there to other areas in the region, notably the then British colonial Gold Coast (Ghana) and Niger area (Nigeria) and the French Côte d'Ivoire (Ivory Coast). In the case of Ghana, cocoa farming was introduced by Dutch missionaries in the coastal areas in 1815 and later by the (Dutch and British and crucially Jamaican)<sup>11</sup> Basel missionaries, who first planted cocoa in Aburi in 1857. The growing of cocoa on a commercial scale in Ghana, however, only began when Tetteh Quarshie, a native of Osu in Accra, brought to Ghana Amelonado cocoa pods from Fernando Po in 1879 and established a cocoa farm at Akwapim-Mampong, in Eastern Ghana. Tetteh Quarshie became a prominent cocoa farmer, with his farm serving as a source of supply for cocoa planting materials until his death in 1892. To supplement the efforts of Tetteh Quarshie, Sir William Branford Griffith, the then governor of the Gold Coast, arranged

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<sup>11</sup> <http://www.pcgonline.org/index.php/about-us/history-of-pcg>

for the delivery of cocoa pods from Sao Tome in 1886. The seeds from these pods were also planted in what is today's Eastern Region. From there, cocoa cultivation spread through the Gold Coast (to the Western Region) and inland to the now colonised Ashanti Territory (today's Ashanti and Brong Ahafo regions).

The first export of cocoa from the Gold Coast was said to have been made in 1885, and in January, 1893 the first documented shipment was made with two bags of cocoa beans sent to Hamburg. By the end of the first decade of the twentieth century, the Gold Coast had become the world's leading producer of cocoa, with a production level rising from 20,000 mt in 1908 to 41,000 mt in 1911. By the post-WWI period, Ghana was contributing about 40% of the total global cocoa supply (Quarmin, 2013), with a production between 165,000 mt and 213,000 mt (MMYE, 2008). Production increased rapidly from 218,000 mt in 1925 to 311,000 mt in 1936, after which it dropped to between 200,000 and 300,000 mt in the 1940s, due to severe drought and outbreak of diseases and pests, particularly the cocoa swollen shoot virus, which was found to be prevalent in the east (Eastern Region). In view of these challenges, coupled with difficulties encountered in replanting the farms as a result of environmental degradation, the centre of production shifted to today's Ashanti and Brong Ahafo Regions in the 1940s, where virgin forest lands were cleared and planted with cocoa (MMYE, 2008).

Ghana continued as the world's leading supplier of cocoa beans to the 1960s, due to the rapid expansion in cultivation and the measures instituted to revamp the farms, especially a mass spraying scheme against capsids.<sup>12</sup> National production rose again, reaching a record peak of 580,000 mt in the 1964/65 season, which gave Ghana a 33% share of global supply. However, the decline in forest land available for expansion, unstable political environment and low producer prices in the late 1970s and early 80s caused a decline to about ten per cent of world production (Bulir, 2003; Hutchful, 1995; Knudsen, 2007) during which, in 1978, the Ivory Coast became the world's largest producer of cocoa, contributing about 40%.

Poor rainfall and bush fires swept through the country's forest belt in 1983 destroying thousands of hectares of cocoa farms. At the same time, the GOG adopted a neoliberal structural adjustment programme (SAP), implemented as the Economic Recovery Programme (ERP), which, among other things, allowed devaluation of Ghana's currency, eliminated subsidies on fertilisers and pesticides to farmers, and raised the farm-gate price of cocoa (Edwin & Masters 2005). The implementation of the Cocoa Rehabilitation Project as

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<sup>12</sup>Sap-feeding insects.



part of the ERP in 1983 began the revival of the cocoa sector (Kolavali & Vigneri, 2015). Facilitated by increased farm-gate prices (higher than those paid to farmers in neighbouring countries) and a currency devaluation (which promoted exports and also reduced the amount of tax paid by farmers), cocoa production began to rise again. With further implementation of measures such as the Cocoa Diseases and Pest Control (CODAPEC) and Cocoa High-Tech Technology packages along with the introduction of new hybrid seedlings with special fertiliser applications in 2001, Ghana managed to achieve one million mt of cocoa bean production in the 2010-11 season.

Ghana is now the world's second largest producer of cocoa (after the Ivory Coast). Cocoa is grown in six of the ten regions of the country; in order of production size, these are Western, Ashanti, Brong Ahafo, Eastern, Central and Volta. In the early 20<sup>th</sup> century, following their subjugation by the British, the Ashanti were the predominant ethnic group producing cocoa; since 2004, however, Western Region has become the main cocoa producing region, accounting for more than 50% of total annual production (Grossmann-Greene & Bayer, 2009).

## **2.2 Cocoa and Colonial Legacy**

Cocoa is said to have arrived in Ghana at the same time as the British colonial rule (Ludlow, 2011), and, following its missionary beginnings, the initial development of cocoa certainly occurred within the colonial governance system. Increasing numbers of farms were established to produce cocoa for export, as a raw material to feed growing European demand for chocolate, now manufactured with cocoa presses eliminating the fat and increasingly affordable to the expanding middle classes. Unlike the plantation system developed elsewhere in West Africa, with forced labour and slavery employed on the estates by both local chiefs and colonialists, cocoa farming in Ghana grew on a local basis with small farms. Indeed, this agrarian approach proved more suitable in Ghana, where the European plantations eventually failed (ASI, 2004). Evidence of problematic aspects in the role of capital and its financial systems as expressed through the terms of trade emerged in 1937-38, when wealthy farmers and coastal tradesmen, refused to sell because of what they saw as the low bean-price and staged a boycott of cocoa production. Cocoa production dropped from 21,606 tons in October-November of 1937 to 63 tons by December, 1938 as a direct result of the strike, which was to have major repercussions on cocoa in Ghana.

The main issue of conflict was a brokerage system that enabled hedging and advanced pricing supported by the cocoa exchanges established in London and New York in the mid-1920s.

Basically, these instruments enabled (industrial, Northern) manufacturers to profit while the (agricultural, colonial) producer was paid very little for his crop. In order to safeguard the profit business companies derived from the brokerage system, one British (Liverpool-based) company, John Holt Ltd, which imported commodities from West Africa to Europe, wrote to the Governor, Sir Arnold Hodson to maintain it. Rhoda Howard (1976, cited by Grossman-Greene & Bayer, 2009: 6) summarised the letter thus:

If brokers were eliminated, the European firms would no longer have control over the cocoa market. If they were not tied through credit to the Europeans, the Africans would be able to ship cocoa on their own. By tying customers to them, the expatriates could buy cocoa at lower prices than they would have to pay if they were competing on the open market with African shippers.

Thus, it was in order to ‘tie’ the Africans that they were assisted, although through purchase price guarantees rather than financial credit. The Nowell Commission of Enquiry set up to investigate recommended the establishment of a state-sponsored cocoa-buying organisation to oversee internal cocoa purchases. This led to the establishment of the West African Produce Control Board (WAPCB) in 1942, mandated to purchase all cocoa in the (British) West African colonies, including Ghana, at set prices. Then, in view of the boycott and in order to reduce the risk that war (WWII) posed to cocoa trading, the United Africa Company–owned by Unilever– and other leading firms further pressured the British government to implement a controlled marketing scheme and maintain the benefits derived from the operations of the WAPCB. In response, although not until 1947, the colonial government formed the Gold Coast Cocoa Marketing Board (GCCMB) as a permanent organisation to provide internal marketing services to cocoa farmers. After a series of amendments, which resulted in change of names, the board eventually became the Ghana Cocoa Board (COCOBOD), in 1984.

The post-war effect of the introduction of these boards was to transform the unregulated cocoa trade to one in which farmers were required to sell their produce to a statutory board with price-setting authority (Grossman-Greene & Bayer, 2009). A Cocoa Marketing Company (CMC) was also formed by the GCCMB in London, to oversee the external transactions of cocoa. Under this system, the colonial government purchased all cocoa produced in Ghana at a fixed price and sold it to companies abroad. This generated profit for the government and eventually made cocoa an export commodity for which the local had virtually no use. It created a dependence syndrome that still remains, where the Ghanaian

farmers and government depend on transnational companies for the sale of cocoa. It is important to note that although the price guarantee and governing authority purchase system were not established to help farmers as such, they did establish the involvement of the state as regulator and guarantor for the sector. The important decision that benefited the local producers during the colonial era was the refusal to sell 'African' land to Europeans, so the production of cocoa in the Gold Coast remained in African hands, mostly on smallholdings (Shillington, 1995).

The shift to the use of smallholdings for cash-crop production changed social relations (Iliffe, 1995, cited by Ludlow, 2012: 9). Cocoa farming was mainly a family rather than communal enterprise, and the farmers became relatively prosperous, leading to divisions between rich and poor (Ludlow, 2012), a 'rural African bourgeoisie', in fact (Grier, 1981) – as can still be seen in a number of multi-storey buildings put up by farmers in cities such as Kumasi, in Ashanti, and Berekum in Brong Ahafo. The cocoa farmers were mostly men who married several (as many as seven) wives, and had as many as 40 children - though this system is changing now (see 5.2.3). While the use of seasonal migrant workers became a common practice, it was the large extended families – the wives, children, nephews and nieces who were the main source of labour for cocoa farming. To gain favour from their husbands, women with the support of their children would compete with one another and exerted much effort in support of the husband's cocoa work. Thus did children working on the family farm gradually become the norm and something just assumed and expected in cocoa growing communities. The farmers' power in terms of cocoa production and governance ended at the farm and family level, however. The Cocoa Marketing Board and expatriates were in charge of the national governance of cocoa production.

### **2.3. Ghana Cocoa Board and Cocoa Marketing**

The Cocoa Marketing Board established by the colonial master has continued to this day, with a strong government backing. Today's Ghana Cocoa Board (COCOBOD) regulates the activities of all other stakeholders in the industry. Indeed, Ghana remains the only major cocoa-producing country in the world without a fully liberalised marketing system (Kolavalli & Vigneri, (2011). The Government of Ghana (GoG) opted for a gradual introduction of reforms in 1991, which consequently enacted a partial liberalisation of internal marketing, along with a privatisation of input distribution and restructuring of extension services (World

Bank, 2011). The liberalisation of internal cocoa marketing in 1993 permits licensed buying companies (LBCs) to operate at the farm-gate and interface between farmers and COCOBOD. Currently about 35 LBCs operate in Ghana. The Produce Buying Company Limited (PBC) continued to be the leading buyer of cocoa with a 35% share of the market. Akuafo Adamfo and Armajaro Ghana Limited followed in second and third places with market shares of 13% and 8% respectively. The other 29 LBCs together accounted for the remaining 44% of the market (COCOBOD, 2012: 4).

COCOBOD has the sole responsibility for the sale and export of Ghana cocoa beans, and it fixes the farm-gate price of cocoa every year before the commencement of the cocoa season (October) in consultation with key stakeholders, including farmers' representatives. It takes into account the world price before coming out with the price it can offer to farmers for the entire crop year. GoG has as its policy to offer farmers at least 70% of Freight on Board (FOB)<sup>13</sup> price. For instance, farmers in Ghana received about 72% of FOB price in 2014/15 an amount of GhC 5.520 per tonne as against GhC 3.392 per tonne in 2013/14.<sup>14</sup> In addition, COCOBOD continues to support farmers through seedlings, subsidised inputs and extension services. The system of centralised price fixing model and guaranteed price for the season practised in Ghana has both advantages and disadvantages for the farmers and COCOBOD. It becomes beneficial to the farmers, but poses stress to COCOBOD when world prices fall during the course of the season.

Sales of cocoa in Ghana since 1992-93 have been made through the futures markets, so prices need to be set in accordance with these, following them more or less closely, within bounds of latitude. This combination of a limited flexibility and centralised fixing has enabled the pricing system also to become a political tool, which is used by the two main political parties in Ghana and by farmers. An increase in prices at the local level is used to the advantage of ruling governments to canvass for votes, while cocoa farmers advocate for price increases especially during election year.

Finally, COCOBOD also provides phyto-sanitary support to farmers and regulates the marketing of bulk Ghanaian cocoa on international markets. This has helped to maintain the quality of Ghanaian bulk cocoa, which earns an international price premium of between 7% and 10% above the price paid for other West African origin bulk cocoa.

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<sup>13</sup> FoB: the cost of movement of goods on board of ship is borne by the seller, all expenses thereafter to transport the goods to the buyer's premises are borne by the buyer.

<sup>14</sup> GhC 1 = €4.1.

## **2.4. Cocoa Socio-economics**

The cocoa sector affords a livelihood to an estimated number of 800,000 farmers with 3.2 million farmhands, giving a total of four million people engaged in the cocoa sector (Tutu, 2011). The community of cocoa farmers in Ghana is made up of owners, caretakers (see below) and farmhands (MMYE, 2008). Over 80% of the cocoa farmers are owner-operators and about 16% caretakers (ibid). Cocoa farming in Ghana remains a smallholder family business, on the whole. The average farm-size is around 2.5 hectares<sup>15</sup> and farmers own or operate an average of two farms (MMYE, 2007). There are also medium and large-scale cocoa farms with estimated total national cultivation of about 1.6 million hectares (MoFA, 2010). The relatively large-scale farming began in Western Region, due to the migration of farmers who made outright purchases of the large tracts of land available and suitable for cocoa cultivation in the last frontier during Ghana's cocoa cultivation drive (MMYE, 2008).

## **2.5. Cocoa Sector Challenges and Impact on Productivity and Livelihoods**

Due to its predominantly peasant nature, with much of the production taking place in an environment of subsistence agriculture, cocoa production in Ghana tends to be labour intensive (MMYE, 2008). In spite of many interventions and policies that have been implemented, the sector is still beset with several challenges, such as weak farmer organisations, low productivity due to pests and plant diseases and insufficient knowledge of best agricultural practices, inadequate access to extension services and poor access to credit and inputs (Baah, 2009). These have resulted in very low productivity, with Ghana producing between 400-500 kg/ha as compared to 700-900 in Indonesia (ICCO Website, 2012), leading to low farmer income.

The rippling effects of low income are that farmers are unable to purchase agrochemicals to fight pest and disease or fertiliser to improve the soil fertility that has deteriorated due to unsustainable farming practices over the years (Hainmueller et al., 2011). A history of poor soil management techniques coupled with poor maintenance culture has resulted in the depletion of most soil nutrients, soil carbon and organic matter, necessitating the use of agrochemicals which are expensive and generally unaffordable to farmers. Thus, farming practices remain simple and inputs insufficient, coupled with the present weather problems,

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<sup>15</sup>Local figures in acres are converted to the international norm of hectares (throughout).

contribute to the low productivity that the farmers are experiencing. Studies have shown that with good climatic and soil conditions, a sufficient water supply and good farming practices, the cocoa farmers can produce 800-1000 kg/ha (KPMG, 2012).

Poor farming practices have also led to a decrease in biodiversity and interactions between the organisms that naturally live in an area, causing loss of ecosystem which in turn makes many farms more vulnerable to a range of plant health problems as well as resulting in poor livelihoods. This cycle of unsustainable farming practices is threatening the future of cocoa farming and poses a danger to the environment. One response to this situation is diversification. A Ministry of Manpower Youth and Employment<sup>16</sup> Report (MMYE, 2008) indicated that although cocoa remains the main economic activity of most farmers, the farmers are, however engaged in other (non-cocoa) farm and non-farm activities. Indeed, a mix of family sustenance and cocoa market cultivation has always characterised the smallholder approach in Ghana. Many studies point to the fact that while cocoa farmers consider the crop as a security and cocoa remain the main economic activity of most cocoa farmers, they generally also seek alternative sources of income (Baah, 2009; Hill, 1964; Knudsen, 2007; MMYE, 2008) and embark on 'income smoothing' (Dercon, 2002: 150) strategies. Livelihood diversification is a critical part of the economic and social life of farmers.

## **2.6. Labour Requirements and Sources in Cocoa Production in Ghana**

Cocoa production is highly labour intensive, particularly under the smallholder system, as in Ghana. It is estimated that a cocoa agro-forestry system needs about 206 person-days per hectare and a full-sun monoculture 217 person-days during the establishment phase. During the operational phase, numbers decrease to 37 and 33 respectively. Due to the labour-intensive nature of cocoa production, various forms of labour have been utilised by cocoa farmers to support their productive activities.

Cocoa growing begins with land preparation to establish the cocoa farm, which involves tree felling, slashing of the vegetative cover, burning of the bush and clearing of the debris. Men largely undertake the land preparation. Cocoa beans may be sowed directly or nursed and transplanted as seedlings, which may be purchased or nursed by the farmer. The young cocoa

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<sup>16</sup> Now Ministry of Employment and Labour Relations

plants are interspersed with food crops to provide shade for the plants and food for the farmer during the formative years of the farm. Before the cocoa trees form a canopy, weeding is carried out about three times in a year. The farm is sprayed with pesticide about four times in a year to control capsids that may attack the cocoa trees. After fruition, the harvesting of cocoa beans is carried out on an occasional basis, and then the beans are prepared for sale. In Ghana there are two harvesting seasons made up of the main crop and the light crop. The main crop season begins in October and ends in April, whilst the light crop season begins in June and ends in August.

In general, the farmer's household contributes about 60% of the farm's total labour requirement, with the children of the household providing about 10%. The remainder is provided by caretakers (*nhweso*), hired labour or mutual labour support (*nnoboa*). The hired labourers also may be caretakers, or else daily-wage earners or contract workers. The labour required for any particular activity by any farmer depends on various factors. For instance, the land to be cleared for cocoa-farm establishment may be virgin forest, which will be more involving and so demand more man-days than secondary forest, which typically contains few or no big trees to be felled. Also, the number of labourers required to harvest, gather and heap as well as break pods from a hectare of cocoa farm is largely dependent on the performance of the farm. If yield is high, the labour requirement is correspondingly high, and viceversa.

Apart from owner-operator farms, cocoa farmers operate a range of owner-tenant systems falling under two categories of sharecropping, referred to as the '*nhweso*' (caretaker) and '*domayenkye*' (cultivate and share) systems. In the case of *nhweso*, the caretaker is assigned to maintain and harvest an already established cocoa farm. If the farm-owner is the one providing the inputs for the maintenance of the farm, he/she takes two-thirds of the proceeds and the caretaker takes one-third. This is referred to as '*abusa*'. There is also an *abunu* system, whereby the proceeds are shared equally among the caretaker and the farm owner or landowner. The caretakers often reside with their family on or near the farm (Casely-Hayford, 2004). The farm-owners, in most cases, reside outside and pay occasional visits to supervise work.

The *domayenkye* system of sharecropping is employed in the creation of cocoa farms where the caretaker uses his own resources, including seeds and labour, to establish the farm. When it reaches fruit bearing stage, the farm is then shared on the *abunu* basis. As in the case of *nhweso*, the landowner lives outside the farm in the *domayenkye* system. Most of Ghana's farmers have acquired their farms through the *domayenkye* system (Knudsen, 2007). Both the

*nhweso* and *domayekye* operators may also engage the services of contract labourers, who work a minimum of one year, or daily labourers. The contract labourers usually reside on the farm with the caretaker.

There is not much literature on the extent of CL in each category, but Nkamleu and Kelland (2006) suggest that the children of landowners who are involved in sharecropping system are unlikely to be involved in the farm activities. It is the caretakers and contract labourers, who are in most instances national migrants, that are likely to use their children in farm activities. This implies that the origin of the person working on the land matters with regard to the use of children on farms. According to Nkamleu and Kelland (2006), the children of migrant farmers (caretakers and labourers) are more likely to be used as farmhands and in most cases do not attend school. They further suggest that the migrants are less likely to enrol their children in school. The result of their study on cocoa farmers' decisions on CL and schooling strongly suggests that children living under the control of a native farmers are less likely to work and more likely to attend school. Even within the smallholder framework, the working perspective suggests a two-tier system, one related to the children of the smallholders and other the children of migrants who are caretakers and/or sharecrop or just labour.

## **2.7. Issues of Child Labour in the World Economic Systems**

The CL issue can broadly be related to the type of economic system predominant in a particular country. Labour in a peasant farming system is basically provided by the family or mobilized within the rural community through reciprocity relations (Van der Ploeg, 2009); land and other means of production are family owned and combines subsistence and commodity production (Bryceson, 2000). This system dominates in developing countries, where over 60% of the population are in the informal economy, including small family businesses and subsistence farming, which are characterised by issues such as capital scarcity resulting in low levels of productivity and income (MMYE, 2008). It is such situations that CL is an issue in farming.

CL in the cocoa sector is a topical issue that has gained global attention as undesired situation that needs to be eliminated. Research into strategies to deal with CL in other sectors suggests that globally, over 200 million children are involved in work that is classified as hazardous and injurious to the health and morals of children, with the large percentage occurring in



agricultural sector. Whilst CL is declining in the Asia-Pacific region, Latin America and the Caribbean, it is increasing in sub-Saharan Africa (ILO, 2010).

Although agriculture is the sector in which most child labourers work, it is the sector in which there is the least intervention. Therefore, meeting the global target to *end WFCL by 2016*, as set by the ILO, requires a ‘breakthrough in agriculture’; an assessment of country interventions to drive change will ‘potentially demonstrate how national outcomes have been achieved’ (ILO, 2010: 66).

## **2.8. Child Labour in Ghana**

Child labour is reported among 5-17 years in urban and rural communities in Ghana by the Ghana Statistical Service (GSS), as shown in Table 2.1. In Ghana, CL is more prevalent in the rural areas (30.2% of the total rural child population) than in urban areas (12.4%). Within rural areas, CL is more prevalent in the savannah (34.6%) and forest (30.0%) than coastal area. Hazardous forms of CL constitutes as much as 20% in the rural areas overall (compared to 7.7% in the urban communities), reaching to 21.3% of children in the rural forest areas, where cocoa is grown.

Table 2.1. Distribution of Working Children (5-17 years) in Ghana

	All children	Children in economic activity <sup>17</sup>		Child Labour		Hazardous CL	
	Estimated Population	Estimated Population	Percentage of Population	Estimated Population	Percentage of Population	Estimated Population	Percentage of Population
<b>Urban</b>	4,134,743	695,863	16.8	513,221	12.4	320,179	7.7
<b>Accra (GAMA)</b>	1,098,157	66,875	6.1	51,349	4.7	17,732	1.6
<b>Other Urban</b>	3,036,586	628,988	20.7	461,871	15.2	302,447	10.0
<b>Rural</b>	4,562,859	1,780,314	39.0	1,379,332	30.2	911,107	20.0
<b>Rural Coastal</b>	496,659	110,006	22.1	81,310	16.4	52,529	10.6
<b>Rural Forest</b>	2,373,921	920,182	38.8	712,642	30.0	504,769	21.3
<b>Rural Savannah</b>	1,692,279	50,126	44.3	585,380	34.6	353,808	20.9

Source: GSS (2014)

## 2.9. Child Labour in the Cocoa Sector

Cocoa production is found in the rural forest areas of Ghana. Cocoa and other crop-farm work provide the predominant economic activity among children in the cocoa-growing regions (Table 2.1). Since cocoa farming is the primary economic activity of the people in the cocoa growing areas, cocoa farm-work and other crop farm-work dominate in the economic activities in which the children are engaged, where 48 and 36 percent of working children are found, respectively.

The general social conditions of children as presented in Figure 2.1 indicates that over 90% of children in cocoa communities stay with at least one of their parents. Two main groups of child labourers are identified in cocoa communities. The first group is that of children who stay with their parents, who are generally owners or share-croppers. Because they stay with their parents, they are likely to work on farms any time that the parents need their support.

<sup>17</sup>Economic activity is a broad concept that encompasses most productive activities undertaken by children, whether for the market or not, paid or unpaid, for a few hours or full-time, on a casual or regular basis, legal or illegal; it excludes chores undertaken in the child's own household and in schooling (Amo, 2008).

The second group comprises the children of owners of cocoa farmers and sharecroppers who are at school in a town or city away from home and support their parents when they return during holidays. A third group of children consisting of those who offer their labour for fee from other farmers other than their parents, represents only a minute percentage of these working children.

## **2.10 Responses to CL in the Cocoa Sector**

### The H-E Protocol

The issue of CL in the cocoa sector became topical after media and BBC documentary that reported the use of slave children in the production of cocoa in Ivory Coast. This attracted the attention of other media, and human rights advocates and legislators including Senator Tom Harkin of Iowa and Congressman Elliot Engel of New York. These two legislators introduced a legislative amendment to an agriculture bill in 2001 that intended to develop a label indicating no slave labour was used in the growing and harvesting of cocoa. Even though the chocolate industry deemed the media expose as excessive, it admitted that the working conditions for children were unacceptable. Meanwhile the amendment introduced was approved by House of Representatives and was likely to gain the approval of the Senate, so, faced with the threat of a potential consumer boycott as a result of this amendment, the industry negotiated with the two legislators and accepted to deal with the issue without legislation.

Representatives of the cocoa industry consulted with a number of trade union, consumer and non-governmental organizations and elaborated a strategy to deal with the problem that culminated into a protocol named after the two sponsoring legislators, Tom Harkin and Eliot Engel. The H-E Protocol was signed on 19<sup>th</sup> September, 2001, by eight of the major chocolate companies in the North American Chocolate Companies and Associations, including the Chocolate Manufacturers Association, World Cocoa Foundation (WCF), Mars Incorporated and Hershey Food Corporation. The signing of the H-E Protocol was witnessed by, among others, the ILO and Ivory Coast Ambassador to the USA.

The Protocol aimed to ensure the growing and processing of cocoa beans and their derivative products in a manner that complies with ILO Convention 182 concerning the prohibition and immediate action for the elimination of the worst forms of child labour. The agreement laid

out a series of date-specific actions, including the development of voluntary standards of public certification, with signatory parties agreeing to the following, six-article plan:

- Public statement of the need for and terms of an action plan
- Formation of multi-sectoral advisory groups (by October 1, 2001)
- Signed joint statement on CL to be witnessed at the ILO (issued December 1, 2001)
- Memorandum of Cooperation (signed on May 1, 2002)
- Establishment of Joint Foundation (by July 1, 2002)
- Building toward credible standards (by 1 July 2005, the industry was to develop and implement industry-wide standards of public certification that cocoa has been grown without any WFCL).

Sixteen articles served as the content and provisions of the protocol. These were basically in line with the provisions of the ILO Convention 182, which defines and prohibits the engagement of children in WFCL. In essence, therefore, the H-E Protocol was a non-binding agreement that provided the industry with a self-regulatory framework and enjoined the governments of cocoa producing countries to step up efforts to eliminate WFCL in cocoa.

Efforts towards achieving the tenets of H-E Protocol hinge on partnerships between all stakeholders, credible and effective problem-solving for long-term solutions, sustainability through building multi-sectoral infrastructure and recognition of the expertise of the International Labour Organisation (ILO). Since its commencement in 2001, the H-E Protocol has been reviewed twice – in 2005, after the first deadline, and in 2008, after a second deadline – and then, in 2010, a joint declaration was made. This history is outlined below.

#### Actions after the Signing of the H-E Protocol in 2001

Following the signing of the H-E Protocol, the United State Department of Labor (USDOL) with the support of the cocoa Industry partnered ILO to develop and implement a pilot project to combat WFCL in West Africa. Named the West Africa Cocoa/Commercial Agriculture Project (WACAP), this project was implemented in five West Africa Countries, including Ghana and Ivory Coast,<sup>18</sup> and ran from 2002 to 2006.

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<sup>18</sup> The others were Nigeria, Cameroun and Guinea

WACAP was described as an ‘eye-opener on CL issues’ (ILO, 2007) because it created a platform for volatile and sensitive issue like CL in the cocoa production process to be discussed and a roadmap developed by all key stakeholders in the industry – government, business actors, farmers, opinion leaders and chiefs. It came at a point in time when most Ghanaians (government officials, farmers, etc.) were still denying the presence of CL on cocoa farms; indeed, it was only the fear of activist agencies in the North leading a threat to boycott cocoa that prompted action. This took the form of high level consultations between top North America cocoa stakeholders and their Ghanaian counterparts, which opened the way for CL issues to be discussed, in most cases through the platform created by WACAP. Essentially, WACAP submitted an evaluation report on its activities that indicated the building of a critical level of awareness through a multi-stakeholder dialogue on the issue of CL, thereby increasing the knowledge of concerned government institutions at national and district levels, together with academic institutions, NGOs, employers’ and workers’ organisations, village committees, community CL committees (see below) and producer cooperatives on the issue (Krijnen & Tesar, 2005). The report again pointed out the acknowledgement of the problem of CL as well as the need to look for viable solutions (ILO, 2007).

Based on this report, among other things, the key stakeholders reviewed the Protocol and extended its 2005 deadline to 2008 for public certification surveys to be conducted for half (50%) of the cocoa growing areas of Ghana and the Ivory Coast. This was principally intended to establish a sector-wide certification system providing a clear, statistically valid and representative view of labour conditions across cocoa regions in Ghana and the Ivory Coast that could be subjected to an independent verification process. It was to report on the nature and extent of CL as well as appropriate remediation activities geared towards correcting anomalies identified.

#### Aftermath of 2005: The First Deadline

At the end of the activities of WACAP, in 2006, the major stakeholders, including the Government of Ghana (GOG) through Ghana Cocoa Board, Ministry of Finance and the then Ministry of Manpower Youth and Employment<sup>19</sup> Ministry of Labour developed the National Programme for the Elimination of the Worst Forms of CL (NPECLC) as the policy

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<sup>19</sup>Now Ministry of Labour. The name of this Ministry has changed several times to reflect the goal of the ruling governments of Ghana

framework to define the roadmap for stakeholders intervening to eliminate the worst forms of CL.

To achieve the 2008 deadline, the Cocoa Industry partnered the GoG to conduct certification studies that were composed of two stages of research, a pilot study and a larger, scaled-up study to collect information on the extent, incidence and nature of WFCL and FAL, as part of the process of implementing a public certification system. The survey which adopted both quantitative and qualitative methods was used to generate three reports:

- Labour practices in Cocoa production, 2006-07 (pilot study)
- Cocoa labour survey in Ghana - 2007-08 (scale-up)
- Report on weighted data on cocoa labour survey in Ghana (scale-up study 2007-08)

For better assessment, the HAF (see Table 3.1) was developed (i.e. especially for the scale-up survey). As part of the implementation of a public certification system as agreed by stakeholders in 2005, the scale-up study was subjected to independent verification commissioned by the erstwhile International Cocoa Verification Board with membership from industry, the governments of Ghana and the Ivory Coast, NGOs and research institutions, with verification performed by FAFO AIS of Norway and Khulisa of South Africa.

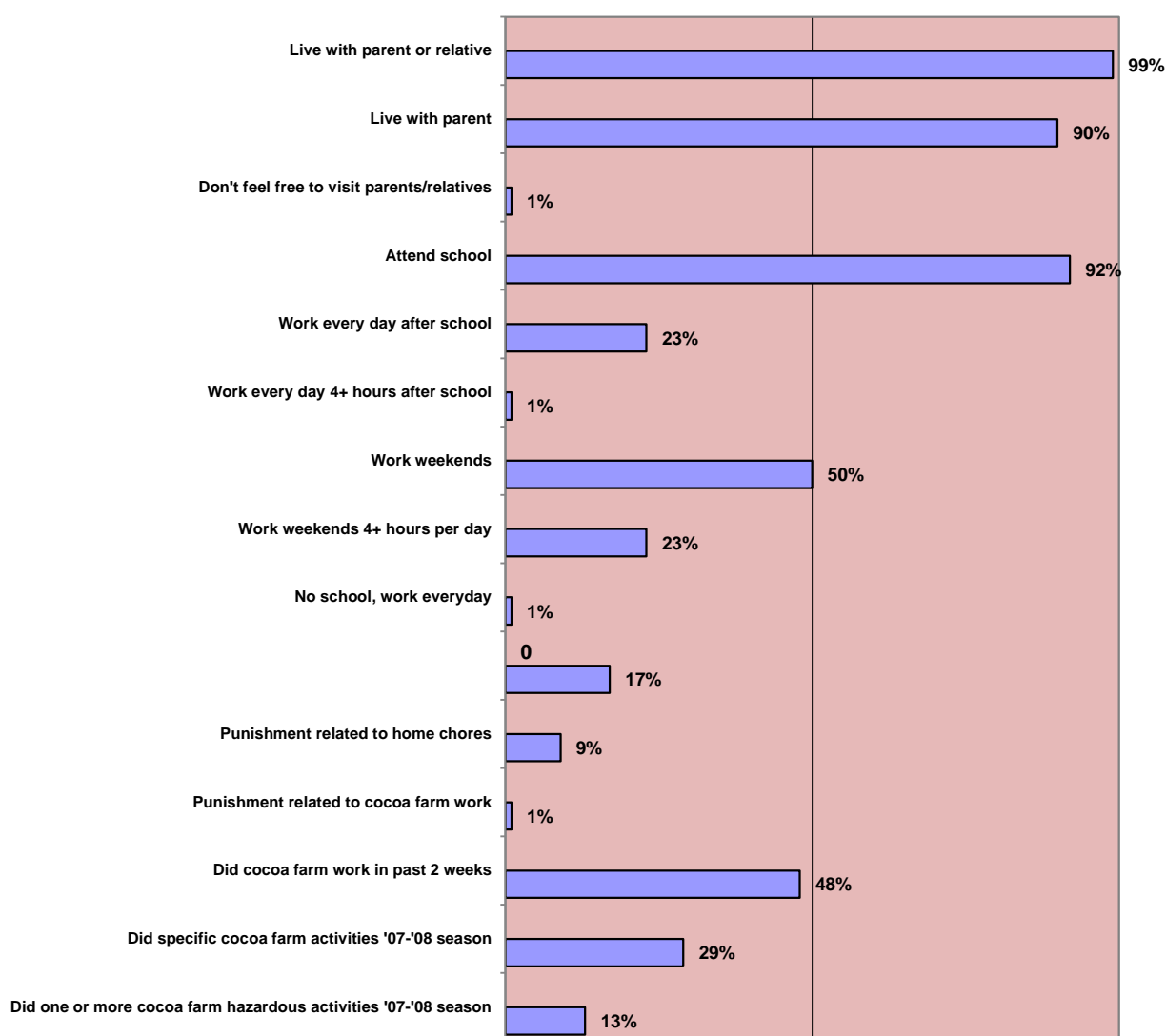
The main purpose for the verification assignment was to confirm the credibility of the process and the results from the certification studies on the occurrence of WFCL and FAL in Ghana and Ivory Coast. Assessment covered all materials and documentation from the certification studies, as well as a sub-sample study carried out in each country where, in both countries, the verifiers recommended acceptance of the certification actions. Acceptance of the Ivory Coast report was on the condition that measures should be taken to improve the estimates of the percentage of children working in cocoa and to provide representative estimates by using appropriate sample weights. Ghana's report was also accepted unconditionally, with the recommendation that sample weights be applied for the final (national) estimates of the reported results. Ghana obliged and weighted the results to generate national estimates of children in WFCL; these were included in Ghana's third report.<sup>20</sup> The 2008 deadline to eliminate WFCL was again reviewed and extended to the end of 2010 by a joint declaration. The purpose of the framework of action was to reduce the WFCL 70% by 2020. It was expected that, by that time, the industry would have a full certification and independent verification.

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<sup>20</sup>Report on Weighted Data on Cocoa Labour Survey in Ghana (Scale-up Study 2007/2008).

### Some Findings from the Public Certification Studies

Statistics provided by the public certification system showed the extent and nature of CL and associated effects on children's development and convinced major stakeholders that the issue of CL needed to be addressed. The weighted report provided an overall estimate of children engaged in at least one hazardous cocoa-related activity at around 840 thousand, representing 10% of all children in cocoa growing communities. MMYE (2008) provided empirical data on the profile of children in cocoa communities showing that about 90% of children surveyed lived with one or both parents (Fig 2.2). Most of the children who did not live with their parents, lived with a relative – for convenience to school (22%), better schooling or upbringing (17%), a family disruption (16%) or to assist with chores (16 %).



**Figure 2.2.** Profile of Children who Live in Cocoa Farm Households

Source: MMYE (2008)

Another finding from the 2008 survey was that school enrolment rate was high (89%), yet 54% of the children could not read and write, suggesting that the quality of education in cocoa-growing areas needed to be carefully examined. On the extent and range of children's participation, the report found out that the involvement of these children in cocoa production activities differed by activity, was widespread across communities and that their participation intensified as they grew. Even though most of them were involved in non-hazardous work as defined by the HAF, the study found that their exposure to hazardous farm work was widespread and diverse. The hazardous activities included burning, agrochemical related work, mistletoe control and pod plucking. The most common non-hazardous activities were fetching water for spraying, gathering of cocoa pods and carting fermented and dried beans with weight less than 30% of the child's weight. Providing extensive insight into the nature and extent of CL in the cocoa sector, the information gathered from the pre-certification survey served as a guide for the design of intervention.

#### After 2008 and the 2010 Joint Declaration and Framework of Action

Following the publication of the 2007-08 certification report, there were several interventions by stakeholders, including CCLM and private voluntary initiatives, such as UTZ, Fairtrade and Rainforest Alliance, as well as remedial activities, such as follow-up on some of the issues identified by the surveys. The 2010 joint declaration reaffirmed the commitment of partners to achieve the goals of the protocol. Among other things, stakeholders agreed to remove children from and prevent children's involvement in WFCL, promote sustainable livelihoods for cocoa farmers, establish and implement CCLM systems and continue national CL surveys. Implementation of the pilot CCLM was started before the declaration was made, and, indeed, the decision to include CCLM in the declaration was informed by the pilot study which had already started.

Overall, the progress made in terms of research and remediation activities under the H-E Protocol has received mixed reactions. On the one hand, its implementation is seen as a positive catalyst for change (Tulane, 2010), showing the nature and extent of CL and thus enabling a better understanding of the complexity of the issues involved, and also compelling global cocoa stakeholders to give attention to producers and confront CL. On the other hand, some critics believe that the methodology of the surveys was flawed (WVIP, 2011) in relation to child trafficking and the non-evaluation of cross-border labour movement (below, Section 2.9), as also has the voluntary nature of the Protocol, with no enforcement mechanisms and agreed standards against which progress could be assessed (Neil, 2011). The industry has also



been criticised on the grounds that none of the activities undertaken under the auspices of the Protocol has attempted to monitor or improve labour conditions within the cocoa supply-chain of any chocolate company (ILRF, 2008). In response to the continued criticism, mainly from NGOs and consumer groups, the individual chocolate companies adopted a voluntary certification system, which is one of the case studies of this thesis (Chapter 3).

#### Ghana, CL and the Cocoa Industry

In Ghana, the Children's Act 1998 (Act 560) defines hazardous work to include engagement in work in the following sectors: fishing in open waters, mining and quarrying, portering of heavy loads, chemical handling and usage, work at bars/hotels and places of entertainment and night work (8pm-6am). As discussed in Chapter 1, the Act recognises the definition given by ILO Convention 182 on the WFCL, which Ghana ratified in 2000. The Pilot survey conducted identified as a gap, the non-existence of a comprehensive list of acceptable and hazardous activities in cocoa production that served as a framework to develop data collection tools and protocols as well as provide standards and indicators for measuring progress. The acceptable and hazardous lists were also needed to fulfil ILO requirement (ILO C. 182) for the national determination of hazardous CL, which had been outstanding since Ghana ratified the convention in 2000.

The ILO Convention No. 182 requires each country, through tripartite arrangement, to develop a list of hazardous sectors and activities guided by the ILO Recommendation 190. It was as a consequence of this that the then MMYE in 2008, through the NPECLC and funds from the International Cocoa Initiative (ICI),<sup>21</sup> developed the HAF (above, Section 1.2.3; below, Table 2.2). The definition of the various forms of working situations of children –CL, WFCL and *Child/Light Work*– in the cocoa production process that culminated in the HAF in 2008 was made on the bases and framework of the UN Convention on the Rights of the Child, ILO Convention 138 and 182, the Ghana Children's Act 1998 (Act 560) and Ghana Human Trafficking Act 694, as well as taking into consideration the socio-cultural situation of cocoa communities.

The (independently verified) weighted 2009 report as a supplementary to that by MMYE (2008) provided an overall estimate of children engaged in at least one hazardous cocoa-related activity as approaching 840,000, representing 10% of children in cocoa growing communities. This data was based on the criteria set by the HAF. There were no reported

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<sup>21</sup> ICI: an industry foundation set up as part of the implementation of the H-E Protocol, in 2001.

child trafficking cases or children in slavery conditions in the Ghana cocoa sector (Fig. 2.1), an assertion that has been challenged with the argument that the internal and cross-border movement of labour were not evaluated (Sheth, 2009). Critics also contend that appropriate methodologies are needed for hidden phenomena such as child trafficking to be revealed (FAFO AIS, 2008). Therefore, where WFCL is discussed in Ghana, the main issue is likely to be hazardous activities.

Table 2.2. Hazardous CL Activity Framework (HAF) for the Cocoa Sector in Ghana

Cocoa Farming Stage	Hazardous Child Labour Standards in Cocoa Farming	Age for permissible work	Permissible work Standards in Cocoa farming in Ghana (under adult supervision)	General Recommendations
Establishment and Maintenance	Clearing of forest and /or felling of trees	5-7	Assist in taking care of babies and toddlers on the farm	All children of school going age should be in school No farming during school hours No distant farming before or after school No children withdrawn for farming in peak seasons.
	Bush burning	8-11	Assist in taking care of babies and toddlers on the farm	All should be provided basic protective clothing at least foot and adequate body protection.
	Working with Agrochemicals i.e. Purchasing, transport, storage, use (mixing, loading and spraying/applying), washing of containers and spraying machine and disposal.		Helping in cooking and serving food	Ideally provide bite-proof protective boots In the absence of this, Afro Mosses, canvas or any boot recommended. Going to farm barefoot is hazardous and in bathroom slippers is not acceptable.
	Present or working in the vicinity of farm during pesticide spraying or re-enter a sprayed farm in less than		Running farm errands	Body protection in the form of trousers, long sleeves and long dresses recommended

	12 hours			
	Using machetes/long cutlass for weeding		Picking harvested pods from under cocoa trees in the company of adults	Sun hat recommended on hot and sunny days
	Climbing trees higher than 9 feet(3metres)to cut mistletoe with cutlass		Uprooting weeds around young cocoa plants	Incorporate at least 10 minutes break hourly for a working child. who should not work for more than 3 hours a day
	Working with motorized mist blower, knapsack sprayer and chainsaw	12-14	Filling of Nursery bags with black soil	Children should stay at distances where they do not smell pesticides Fetching water for sprayers during day of spraying when sprayersrunout of water is unacceptable
Harvesting and Post Harvesting	Harvesting overhead cocoa pods with harvesting hook			Close observation and supervision required for any job a child does
	Breaking cocoa pods with breaking knife		Fetching water for spraying and leaving the farm before spraying commences	Ensure adequate intake of drinking water hourly to prevent heat stress.
	Carrying heavy load beyond permissible carrying weight i.e. above 30% of body weight for more than 2 miles (3 km).		Gathering of cocoa pods	Do not allow the use of cutting tools for children 11 years or younger
Scooping and removal of beans				
General Issues	Working on the farm for more than 3 hours per day or more than 18 hours per week (for children on weekends, holidays and/or have completed school).		Carting minor loads according to local carrying baskets sizes	Carrying loads should not exceed 30% body weight if farm is far (>2miles or 3 km) If the farm is farther, reduce carrying weight or have rest stops
			Watering of Seedlings at the nursery	
	For children in school, working		Assisting in planting cocoa	All children of school-going age should be in

	more than 2 hours/day on a school day.	<b>15-17</b>	Weeding/brushing undergrowth with age - appropriate cutlass ( <i>sua-ado</i> or small cutlass)	school No farming during school hours No distant farming before or after school No withdrawn to do farm work in peak seasons.
	Working without adequate basicfoot and body protective clothing (e.g. long sleeves, trousers and 'Afro Moses')		Plucking within hand-reach pods	All children of school going age should be in school
	A child working alone on the farm in isolation(i.e. beyond visible or audible range of nearest adult)		Breaking cocoa pods with breaking mallet or hitting on the ground	No farm during school hours No distant farm before or after school No withdrawn to do farm work in peak seasons.
	Going to or returning from the farm alone or working on farm between 6.00 p.m. and 6.00 a.m.		Carting load according to local carrying baskets sizes	Lifting/handling/carrying loads over short distance ( $\leq 500m$ ) should not exceed 50% of body weight
	A child withdrawn from school during cocoa season to do farm work		Seedling for planting	In assigning permissible load to a child adequate adjustment in hilly and slippery terrain when it rains and crossing rivers with loads.
	Working fulltime on farm and not attending formal/non-formal school(applicable to children under 15 years).			Stop children below 18 years from working with pesticides, even if Personal Protective Equipment is provided.  Sick children should not be made to work under any circumstance.

Source: MMYE, 2008

## CHAPTER 3

### **Mobilising Social Capital to Deal with Child Labour:**

#### **CCLM Case Study in Dwease, Ashanti Region<sup>22</sup>**

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<sup>22</sup>An earlier version of this chapter was published as Owusu-Amankwah, Ruivenkamp, Frempong and Essegbe, G. (2014).

### **3.1. Introduction**

#### *3.1.1. Background: History of the Development of the CCLMS in Ghana*

Child labour monitoring (CLM) was first introduced to Ghana in 2001, when the Labour Department with support from ILO-IPEC set up a database to track ex-child-labourers. The database was initiated to monitor children identified and withdrawn/prevented from hazardous work in ritual servitude (*Trokosi*), child domestic servitude, manual handling and transportation of heavy loads (*Kayaye*) and children in tourism (commercial sexual exploitation of children, CSEC) (MESW, 2010). Subsequently, the ILO-IPEC in 2004 through WACAP established a district-based sector-specific CLMS in five districts to capture data and monitor the children who had been withdrawn from or prevented from entering CL situations in the cocoa sector. The process and outcome from this system were very critical to the national and international stakeholders during the evaluation and appraisal of the first deadline of H-E Protocol in 2005 (indeed, the results influenced the revision and postponement of the H-E protocol deadline to 2008).

Beside the H.E Protocol, the concept of CL has been applied to other sectors of the Ghanaian economy such as the mining, and fishing. The ILO-IPEC Time-bound project that ran from 2006 to 2009 for instance implemented ‘decentralised multi-sectoral and integrated child labour monitoring regime to promote the application of child labour laws, ensure effective and coordinated implementation of CL interventions and enhance the sustainability of outputs and outcomes of interventions’ (MESW, 2010: 18) .

Apart from leading the implementation of certification surveys, the NPECLC also implemented the CCLMS on a pilot basis, in 2008. The rationale of the CCLMS was to contribute to the elimination of the WFCL in cocoa by a community-based, bottom-up, cocoa-sector-wide data-collection system with built-in monitoring and remediation components. As a monitoring and a remediation tool, CCLM was anticipated to mobilise the local communities to bring about changes in attitudes and behaviour toward the participation of children in WFCL as well as promoting an integrated approach to child development at the district and community levels.

Following the 2010 Joint Declaration (2.10), and in an effort to harmonise the various systems, the Ghana Child Labour Monitoring System (GCLMS) was established in 2010 to

draw on the experiences from all the projects mentioned. Still a work in progress, the GCLMS is a nationwide system intended to cover WFCL in all sectors under the National Plan to Eliminate Child Labour being implemented by NPECLC, the Employment Information Bureau (EIB) and Child Labour Unit of the Labour Department. Constrained by inadequate funding, however, the GCLMS is struggling to develop.

The following sections of this chapter detail the theoretical framework of the study, the research questions, the methodology, results, discussions and conclusion.

### **3.2. Theoretical Framework**

#### *3.2.1. Conceptualisation of the Child Labour Monitoring System (CLMS) Process*

CLMS is relatively a new concept— especially as applied to informal production processes, such as family farming. As a new and evolving area of activity, there is not much literature available. Certainly, it is closely linked to the enforcement of national CL legislation. According to the ILO, CLM involves the development of a coordinated multi-sector monitoring and referral process that aims to cover all children living in a given geographical area. Its principal activities include i) regular direct observations to identify child labourers and determine risks to which they are exposed, and ii) referring the children to appropriate services, such as education, verifying that they have been removed and track them afterwards to ensure that they have satisfactory alternatives (ILO, 2012).

Introduced by ILO in the early 1990s, the CLM was initially used to identify and monitor formal workplaces where CL was being used. CLM was first applied in the Bangladesh Garment Industry (Vahapassi, 2000). Later, it was used in an informal setting of the Sialkot soccer ball industry in Pakistan to monitor and ensure that child labourers removed from their workplaces did not return and prevent new group of children from commencing work. These experiences showed the need to attach social protection to monitoring and fully systematise CLM in order to provide viable alternatives to the withdrawn child labourers (ILO, 2006; Lund-Thomsen & Nadvi, 2010). A CLMS, therefore, might be characterised as a ‘highly structured and institutionalised process with specific aims, objectives, resources, and content’ (Winrock, 2008: 162) that starts with initial assessment, moves to intervention and concludes with on-going checks of the results of the intervention (see below). In the cases of

Bangladesh's garment industry and the Sialkot soccer ball, monitoring was carried out by professional labour inspectors and skilled personnel (Vahapassi, 2000).

CLM can also be community-based, anchored in community structures and institutions and made more informal and flexible by the involvement of a wider range of local stakeholders, such as parents, peers, teachers, chiefs and other community members (Winrock, 2008). This has some obvious advantages over the top-down, relatively rigid and authority-oriented professionalised approach. Ordinary people are more likely to be forthcoming and feel involved as part of the process. This is crucial, since, as Khan (2007: 20) notes 'as insiders, local people knew how CL was embedded in local culture and everyday life'. Indeed, local people are experts in their own affairs, leading Khan to assert that insider knowledge can be combined with outside technical expertise to find the most feasible approaches and solutions for the local people to understand, confront and solve their CL problems.

The CCLMS introduced under WACAP was built on community CL committees (CCLC) established with membership from local/traditional (governing) authorities, schools, churches, farmers, and other community-based organisations. The role of the CCLC was to identify and monitor children's participation in cocoa activities, abuse and school attendance. This was important as a resource allocation: since there were insufficient labour inspectors to monitor labour abuse and adequately cover all farms, they had tended to confine their inspection to large and formal enterprises. The average number of staff for the whole Asante Akim Central (formerly North) Municipal area with a population of over 140,000 people (GSS, 2010), for example, was just two. Community stakeholders were the pivot around which the WACAP CCLMS implementation evolved, with their inbuilt links to other child welfare monitoring systems in education, health and human rights to provide children access to social services.

WACAP's experience presented three distinct stages in the establishment of an effective CCLM. These were i) the *preparatory* stage, which includes awareness creation, the mobilisation of groups and key actors and the building of their capacity (training); ii) the *monitoring* stage, which involves the development of monitoring instruments as well as the data collection and collation; and iii) the *follow-up* stage, which involves reporting and the training of stakeholders. Clearly, the active participation of community members as well as community structures, both formal and informal, is critical for the effective operationalisation of CCLM. Community-related issues are explored here in investigating the CCLMS as a new concept in the cocoa landscape that is expected to compliment the work of the inadequate and



under-resourced formal labour inspectorate and social welfare office in monitoring and dealing with children's and related social issues.

### *3.2.2. Social and Human Capitals in the Cocoa Producing Communities as Resources for Facilitating Change*

Where rural development and agriculture are concerned, social change is always implied (Bock, 2012). Social and human capitals are critical resources for facilitating change. As discussed above (1.2.3), the human capital available and accessible to the child contributes to her/his available social capital, which, in turn, supports the development and accessibility of facilities, such as school, to build the human capital of the child who then contributes to the community's social capital. A virtuous (or vicious) cycle of development (or degradation) is created and attains its own momentum (reproduction). The chapter concerns the role of community, local government institutions and leaders and as teachers in facilitating the creation of social capital and analyses how this enhances children's access to facilities and the impact on the learning and development of the children.

The chapter assumes Sandra Franke's (2005: 2) three major approaches to measuring social capital: i) the *micro*-level, which deals with actors' propensity to cooperate referred to as 'cognitive'; ii) the *meso* level, which focuses on structures that facilitate cooperation; and iii) the *macro*-level, which emphasises a 'community's environmental, social and political structures that convey values and norms which in turn create certain condition for social engagement and civic and political participation'. Sandra further emphasises three areas of concentration at the micro-level: i) the values and aspirations that underpin the cooperative relations, ii) the behaviour of the individuals in these relations, and iii) their perceptions about collective issues. At the meso-level, the focus is on the type of network, the position of members within the network, the types of interactions and the conditions in which they occur. Social capital is thus considered here primarily at the micro- but also sometimes meso-level.

In this study, social capital is represented by household membership in community organisations, formal and informal, past and present, and explores the implications of the key elements in the community approach to CLM, such as collective action, structures, participation and social networks, on the outcomes of the implementation and thus overall functioning of the system. The study concentrates on the personal characteristics of the people involved as they play their roles in a social system, on the attitudes displayed and decision criteria used by individuals and groups in specific situations. In this context, the study

reported in this chapter explores the factors that exert pressure on the various stakeholders involved and considers how they directly and indirectly exert social pressure or sometimes counter pressure as well as inter-organisational links and networks.

### **3.3. Research Questions**

This study seeks to examine how the CCLMS is being implemented at community level and its potential to mobilise or generate social capital within the community to deal with the WFCL, while also ascertaining the emerging household labour rearrangement and coping strategies being adopted by farming families to facilitate a more sustainable change in the socio-economic arrangements of cocoa production systems.

The specific research questions are:

1. How is the CCLMS being implemented in Ghana?
2. How is the CCLMS generating social capital there to deal with CL?
3. What are the coping strategies adopted by parents and children and what are the emerging labour rearrangements?

### **3.4. Methodology**

The study adopted exploratory qualitative methods for the collection and collation of responses to address the three research questions regarding the operation of CCLM, its potential to mobilise or generate social capital to deal with worst forms of CL and the emerging household labour re-arrangements and coping strategies being adopted by farm families in the face of these challenges. Since 2008, most of the cocoa-growing districts and communities in Ghana have been beneficiaries of the national program (NPECLC) led by the GoG, creating CL structures at district and community levels and focusing on hazardous work. This enabled the adoption of a comparative case study approach, using two, contrasting case studies to make inferences from the differences about likely effects of CCLM and use the comparison for impact assessment of the CCLMS on children's social situations.

The qualitative methods used included participant observations, in-depth interviews and focus group discussions (FGD). The FGDs sought to answer questions such as the degree to which CCLM has prevented/reduced the WFCL which is deemed as intervention success. It also

looked for the factors, mechanisms and processes responsible for the successes and failures of the intervention. In addition, it examined the roles of individuals and how they influenced the children's involvement in cocoa activities and at school.

Since the issue mostly concerns children, their views and the extent of their participation at work and at school were important to this study. The children were grouped by age so that the views of all the relevant age groups could be ascertained. Consequently FGDs were organised each of the study communities for three age groups (8-12 years, 13-14 years and 15-18 years), following the categories set out by the 1998 Children Act and HAF (see Box 1.1, Section 1.5.2, Table 2.2). For effective discussion, a minimum of 10 children and a maximum of 15 children per group were selected from both the communities and the schools. A total of 109 children participated in the three communities. With regard to adults at the community level, six groups of adults were interviewed divided into male cocoa farmers, female cocoa farmers and CCLC members. In-depth interviews were conducted with other stakeholders including assembly members, programme managers, district officials, CCLC chairpersons, head teacher/teachers, religious leaders and chiefs. Responses in the interviews were recorded and transcribed. In order to ensure confidentiality the interviewees were framed as anonymous as possible. Permission was sought from the persons before quoting them in the report.

### Case Study

The CCLMS has been chosen as a case study because it targets the cocoa sector, the focus of this study, and also adopts a bottom-up approach that involves children, community- and community-based organisations, the District and Municipal Assemblies and decentralised departments, which are the pivot around which development takes place in Ghana. The decentralised departments, such as the Social Welfare Department and Labour Department are mandated by the Ghana Children Act 560 (1998) to ensure the protection of children and monitor labour issues, respectively.

As one of the ten communities in Ashanti Region's Asante Akim Central Municipality with a functional programme dealing with CL, Dwease, was the target community chosen for this study. Two other communities in different, high cocoa-producing regions in Ghana where there were no CCLM interventions were selected to serve as controls. These communities were Kwasusu (in the Asutifi North District, formerly Asutifi District), Kwasusu (in the Brong Ahafo Region), and Aboboyaa (in the Sefwi Wiawso Municipal, formerly Sefwi

Wiawso district, in the Western Region).<sup>23</sup> Data collected from these communities were compared with that of Dwease for any differences or otherwise.

### 3.5. Study Results

The research focused on two key issues: the operation of the CCLM and generation of social capital to deal with CL (Research Questions 1 and 2) and family coping strategies and household labour re-arrangements (Research Question 3).

#### 3.5.1. *The Operation of CCLM and Generation of Social Capital*

A CCLM intervention is in operation in the Ashanti Region of Ghana, the second highest producer of cocoa in Ghana and particularly in the large village of Dwease, in the Asante Akim Central Municipality. Dwease has a population of 7000 residents living in over 500 houses (see Figure 3.1). Other interventions being implemented in the community are the Livelihood Empowerment Against Poverty (LEAP), which is a cash transfer scheme targeting extremely poor on pilot basis, and the National Cocoa Diseases and Pest Control (CODAPEC), which is a free COCOBOD/government managed ‘mass cocoa spraying exercise to assist all cocoa farmers in the country to combat capsid and black pod disease.’<sup>24</sup>

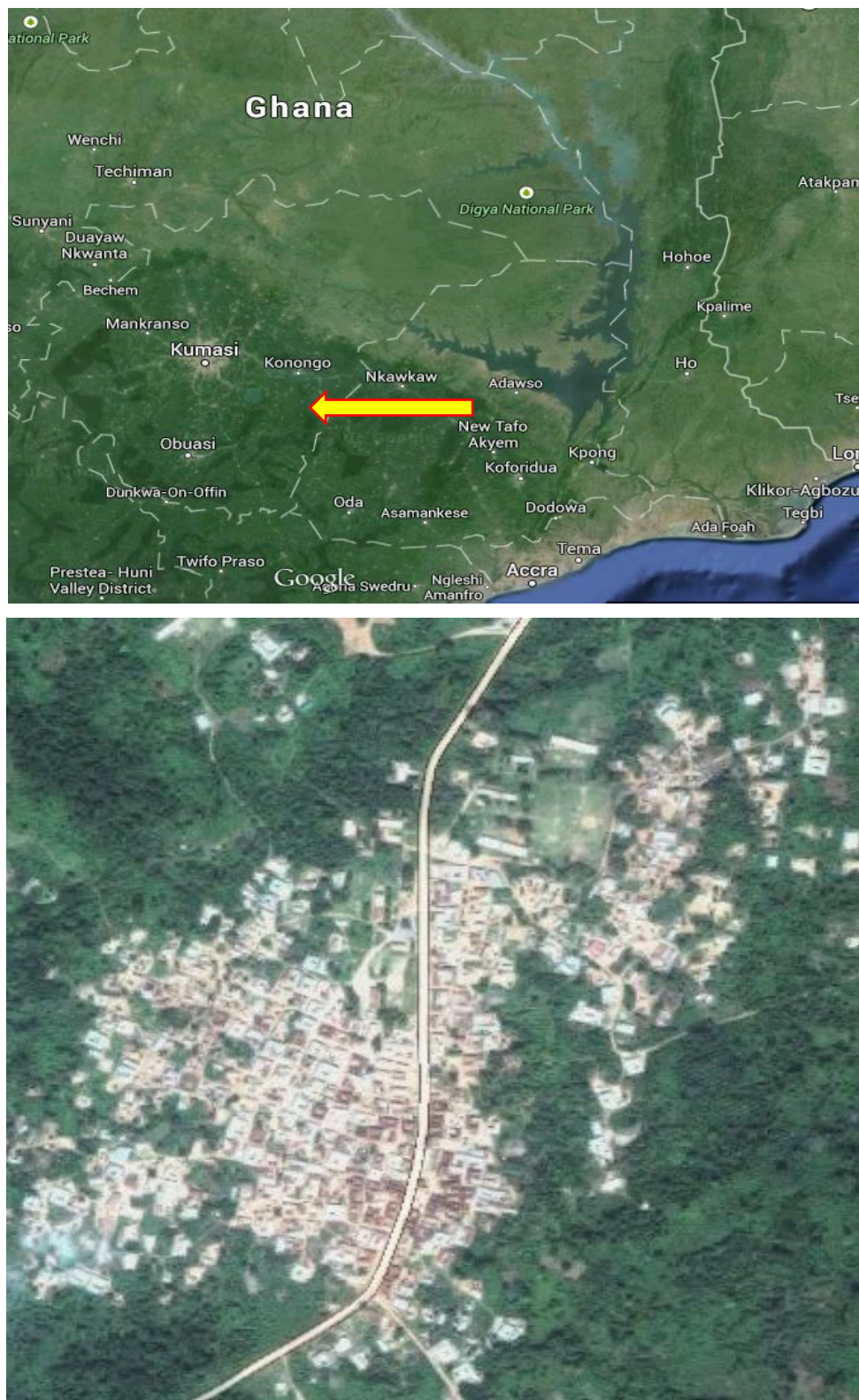
Ethnically, Dwease consists of about 90% indigenous Akans and 10% migrant Kusasis and Dargatis from Northern Ghana.<sup>25</sup> Most of the residents in the community are cocoa farmers who also cultivate other crops such as cassava, plantain and maize. It was observed in the community that only a few women own cocoa farms; most of the farms are owned by the men, and their wives work alongside them.

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<sup>23</sup> Name changes: due to upgrades after the 2010 census

<sup>24</sup> A common disease of the cocoa tree in which a fungus (*Phytophthora*) spreads on the pods.

<sup>25</sup> In the comparison sites, the residents of Kwasusu are migrants from Volta and Northern Regions who have settled mainly to farm, while the tribe composition for Aboboyaa is Sefwi followed by Akan and then other tribes from Northern Ghana, such as Kusaasis and Dagaartis.



**Figure 3.1.**Dwease: Location and Aerial View

**Source:** Google Maps

### The CCLM Process

In addition to the three stages, the CCLMS can be analysed as composed of two processes: the local monitoring process and data gathering. The local monitoring, which comprises direct observations of activities repeated regularly is intended to identify child labourers, determine the risks to which they are exposed to and refer them to social services to improve their condition. The monitoring process is also in place to verify that the children-at-risk are removed and tracked to ensure that they have satisfactory and sustainable alternatives. The data collection process is essentially operated through a bottom-up process to gather elementary information, such as school enrolment, attendance, in-and-out movement of children and their involvement in hazardous activities. The CCLM in Dwease was mostly concerned with monitoring of the children's school attendance and involvement in hazardous activities in line with the HAF – 'It could also sanction those who do not go to school', as a respondent remarked.

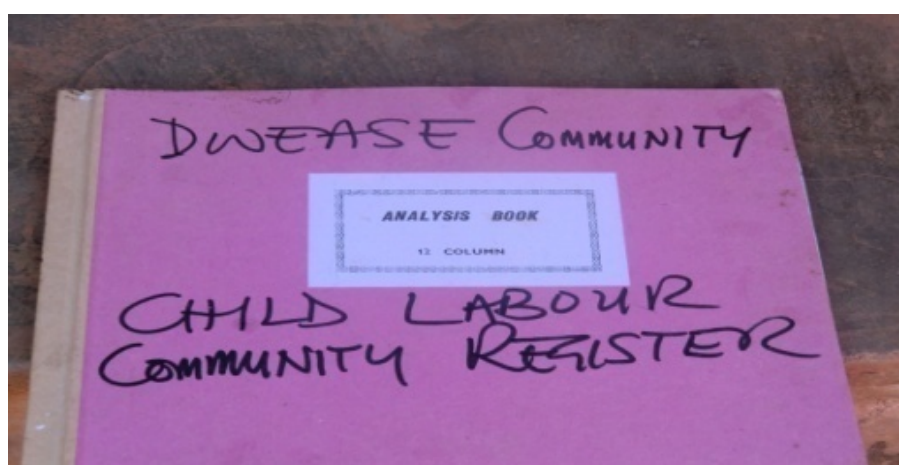
CCLM was introduced to the Dwease community by the Asante Akim Central Municipal Authority (AACMA), which has administrative oversight over Dwease and its surroundings. Dwease is located 20 miles to the Municipal capital, Konongo. The intervention was introduced by the AACMA, one of the local authorities selected to pilot CCLM in 2008-10 by the NPECLC operating as the national coordinating unit of the CCLMS. The NPECLC falls under the authority of the Ministry of Employment and Labour Relations as part of the GoG effort to combat WFCL in Ghana. The Social Welfare Department (SWD), Labour Department (LD) staff and the management staff of AACMA underwent training on CL, laws and CCLM to familiarise themselves with the issues. The training according to the SWD was to create awareness, provide information on CL issues and laws and disseminate skills for the identification, monitoring and referral of children involved in CL. The SWD and NPECLC collaborated and provided a similar training to community stakeholders – primarily the Chief and other CCLC members (teachers, representatives, the Assembly person, women's leader and representative of churches).

The CCLMS is intended to operate as a multi-level structure from the community through the municipal to the national levels using existing government and community structures for the key objective of obtaining comprehensive information and ensuring communal responsibility for vulnerable and distressed children with the purpose of instituting timely, sustainable and suitable community responses to the identified issues through the adaptation of remedial measures for children in WFCL. The CCLMS system as observed in the community worked

to assess children's participation in work, attendance at school and the ability of the community to support the effort to eliminate WFCL, and then to respond to these. Therefore, it was responsible for community sensitisation, child surveillance and data gathering using a community register.

### Data Collection Process

All children below 18 years were supposed to be registered in the community register maintained by the CCPC. The data required included the name and age of the child, whom she/he stays with and whether she/he attends school or not. The data obtained would then be analysed and families implicated in CL as well as children not attending school were then monitored. This data was supposed to be synthesised and submitted to the SWD to be included in the municipal database for onward transmission through the district to the national level (NPECLC). Even though the data base had not been yet established at the municipal level, the CCPC was gradually registering children under 18 years for that purpose. However, it was observed that the data collection aspect of the system was not effective. This was because of a lack of capacity at the national level to process the data from district and municipal levels. Despite the failure at national level to process the data, it was maintained and used at the local level (AACMA and CCPC). Nonetheless, the communities were observed to gather, store and maintain (update) information and employ it in community-based interventions. Having identified a child who has been denied education, the CCLM specifies the type of remediation and support required for him/her to attend school.

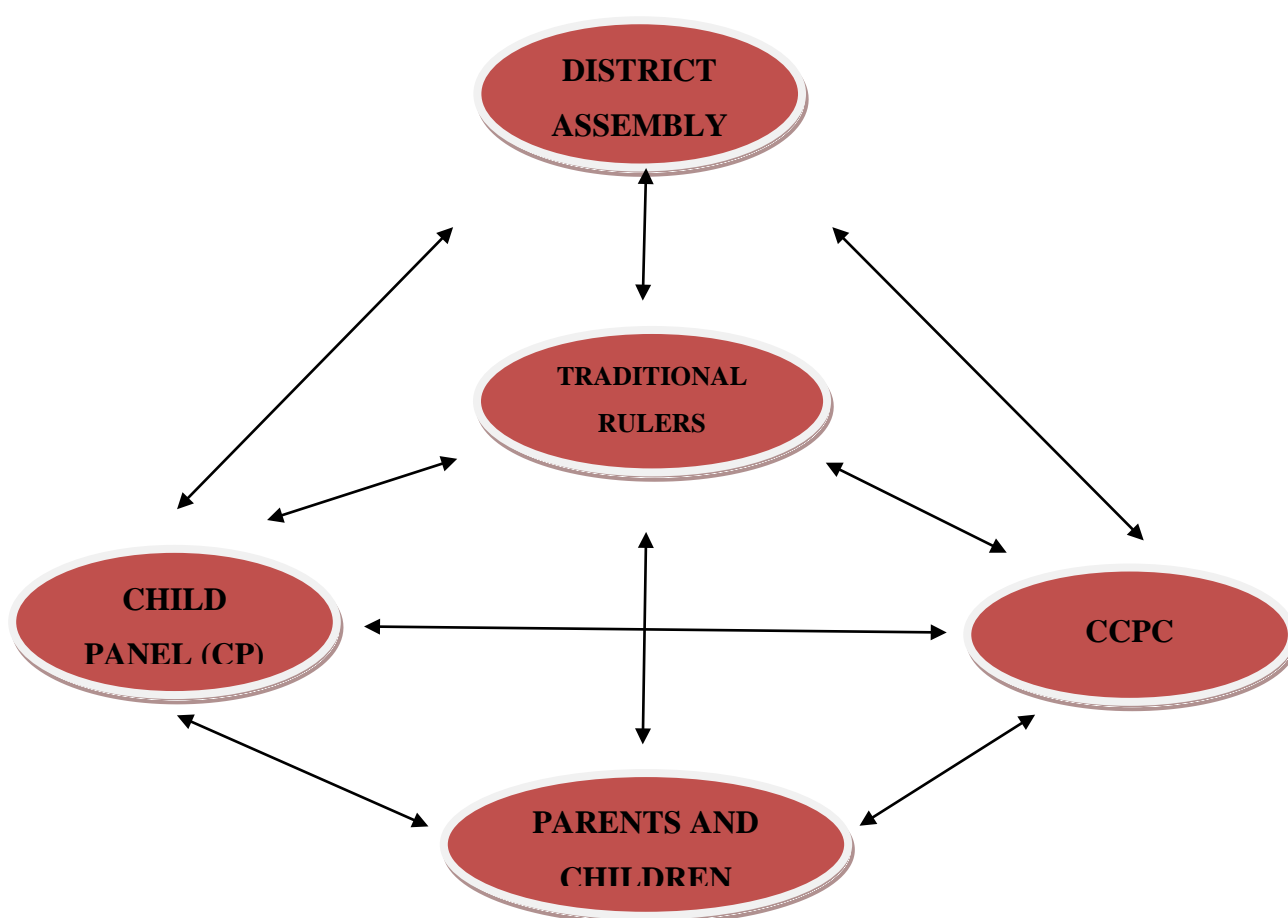


**Figure 3.2.** Dwease community CL register



### Monitoring Process, Structure and Roles of Actors

This section covers the CCLMS process, structure and role of key actors as well as challenges inherent in the system. The structure of the monitoring system as operated at the AACMA level is depicted in Figure 3.3. It mainly consisted of the District Assembly, traditional rulers (headed by the Chief), the Community Child Protection Committee (CCPC), the Child Panel (CP) and the parents and children. The roles of the various actors are also shown in Table 3.1.



**Figure 3.3.** Structure of CCLM in Dwease

### Central Municipal Assembly

The AACMA was the coordinator of the CCLM and worked through a Municipal Child Protection Committee (MCPC), which comprised all the district authority heads of departments and agencies under the AACMA, in particular the Ghana Education Service, Community Development Department, Ministry of Agriculture, LD and SWD. The MCPC was chaired by the Municipal Chief Executive. The SWD is mandated by the Children's Act



of 1998 as the main agency for social development and responsible for the welfare and protection of all children in Ghana. Therefore, the SWD officer was the coordinator for the CCLM and reported to the MCPC. Since the MCPC comprised all the heads of the various departments, cases that concern their area of operation were referred to them for action:

For instance when a shortage of teachers at Dwease was reported to me, I in turn reported to the Education Director who happened to be a member of the MCPC arrangement and was made to get two to be posted to fill the gap. (Social Welfare Officer)

Chaired by the AACMA Chief Executive, the MCPC was also responsible for counterpart funding for the CCLM activities. The monitoring trips of the social welfare officers were budgeted and approved by the Municipal Assembly based on the needs of the communities. In Dwease, for instance, AACMA approved the payment of examination fees of school children and had also started building a library complex supported with funds from the World Cocoa Foundation.

The AACMA used the opportunity created by the NPECLC to establish a Child Panel (CP), a mandated community-level institution to settle disputes involving children, which according to the Municipality, could not be established because of financial constraints made by the Assembly. The AACMA was again responsible for conducting the initial community sensitisation, organising durbar with the community to select members for the CCPC and CP and to conduct the initial training for the selected members of the CCPC and CP. It collated and processed data generated from the community register for onward transmission to the national level actors (NPECLC and LD). It also supervised the work of the community level organisations (traditional Rulers, CP, CCPC, parents and children). The Municipal Assembly (MA) through the SWD followed up on cases concerning abuse and child exploitation and instituted remediation actions in consultation with the NPECLC, MCPC and other relevant agencies.

The social welfare officer dealt with issues that the community could not deal with, such as recalcitrant parents who refused to heed to the advice of the CP to cater for their children. The parents concerned were invited to discuss the kind of support the child needed and enter into agreement in respect of the payment arrangements if a stipend is agreed. Normally the payment was made through the social welfare officer to the guardian of the child.

### Community Child Protection Committee

The Community Child Protection Committee (CCPC) was set up as part of CCLM implementation by the community and the MA under the direct supervision of the Municipal Social Welfare Office, which coordinates CL intervention in the Municipality. The CCPC members were nominated and confirmed by community members through a durbar. Operating at household level, the CCPC undertook door-to-door sensitisation and even drove the children out of the house and to school. The data gathered by the CCPC was sent to the Social Welfare Office for collation and generation of a report. The MA provided technical support in terms of training, monitoring and follow-up on reported cases of child abuse and exploitation. Thus, the CCLMS was built on existing community structures and implemented through local people. Finally, a secretary was selected by the members of the CCPC (the person had to be literate and could also serve as a Child Monitor).

### Child Monitor

Mr. Mensah, secretary to the CCPC in Dwease, also served also as Child Monitor. He compiled the register with other members of the CCPC, specifically the Assemblyperson. His work involved going from house to house to sensitise families on what constitutes CL and hazardous work and to register parents and children. According to Mr. Mensah, he received a one-day training conducted by the Municipal Social Welfare Officer. The work appeared to be voluntary: AACMA had promised to remunerate him, but at the time of the data this had not been honoured.

### Child Panel

The Child Panel (CP) is a provision in the 1998 Children's Act. It has non-judicial functions to mediate in civil and minor criminal matters concerning children. Composed of representatives of the Chief, Assemblyperson, representative of Unit committee and schools, the CP was appointed by the Assembly to resolve conflicts between families, especially as related to issues with child upkeep and abuse.

### Traditional Rulers

Headed by the Chief, the traditional rulers were the overall authority in the community responsible for the wellbeing of inhabitants. In respect of CL intervention, the Chief is the last resort for handling conflict at the community level. He ensured that parents complied strictly with the roles and regulations of CCPC and CP and also applied sanctions, such as fines. He

also monitored the activities of the CP and CCPC. The traditional Chief, referred to as *Nanain Akan*, played a supervisory role over the CP and CCPC and provided support to the CCPC and CP. He demanded regular briefings from them and adjudicated cases that the CP and CCPC could not handle. For example, he fined a woman two bottles of Schnapps costing about ₦8 for allowing her daughter to carry heavy firewood; this became a test case, as a result, parents in Dwease took the matter seriously and started to take more responsibility for their children. All community members, including the parents and children, have their roles to play to ensure that the CCLM is functioning.

### Community Surveillance

Another important aspect of CCLM in the community is child surveillance done by CCPC, CP, community members and children, which involved monitoring of the children in the community to identify those who skipped school to go to the farm, monitoring the weight of the loads they carried from the farm and observing those in distressed situations and informing community leaders. As one farmer put it, ‘it is the responsibility of all in the community, so we all observe critically to see whether a child is being abused.’<sup>26</sup>

These structures work together and ensure harmony in reducing CL, as reported by one opinion leader: ‘People report cases on children’s involvement in hazardous activities to a CCPC member when necessary, if CCPC could not solve it, it is reported to the CP before it reaches Nananom [the Chief and elders]’. Thus, while the CCPC was responsible for raising awareness, data collection and monitoring CL issues, the CP handled cases brought to it by the CCPC. This reveals a typical key structure and institutions responsible for the CCLM process at the community level. First-time offenders are warned not to repeat the offense. If the offence is repeated, then it is referred to the Chief. If it is repeated again, it is sent to the Municipal Social Welfare Office. The responses of the stakeholders interviewed in the community as well as the minutes of CCPC confirmed the referral cases.

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<sup>26</sup> ‘*Eye obiaa asedee. enti yen nyinaa de yen ani to ato fom se dee ebeye na obia nha nkwadaa. no*’ All translations by the author.

Table 3.1.Roles of Municipal and Community Actors Involved in CCLM

STRUCTURE	COMPOSITION	ROLES PERFORMED
<b>Municipal Assembly (MA)/Municipal Child Protection Committee</b>		Set up necessary committees and manage them by giving supervisory roles, capacity building; collation of data &generating of report
<b>CCPC</b>	Representative of Chief Assemblyperson Unit committee member Schools representatives Representative of Christian group Representative of Muslim group Representative of Women's group	Mobilise the local communities and advocate change in attitudes and behaviours with regard to the WFCL Undertake child surveillance on school attendance, trafficking, abuse, child exploitation and ensures that children are disengaged from hazardous work Ensure that all children of school going age are in school; negotiate with parents to send their children to school Community sensitisation; ensure the prevention of violence against children; sensitisation and awareness creation on CL and farm safety initiatives Promote an integrated approach to child development at the community level Liaise with MA to ensure that children get support as needed Undertake basic level data collection, analysis and using the data to inform planning Do child surveillance
<b>CP</b>	Representative of Chief Assemblyperson Unit committee member Schools representatives	Resolve conflicts between couples and children and parents Do child surveillance.
<b>Traditional Rulers</b>	Chief and elders	Ensure that parents comply strictly to the roles and regulations of CCPC and CP Ensure discipline by issuing a fine for recalcitrant parents. Monitors activities of CP & CCPC
<b>Community members</b>		Report any observed abuse to CCPC or CP Do child surveillance Ensure children are not participating in hazardous work Ensure children attend school

<b>Children</b>		Ensure basic needs are provided Report parents who make them partake in hazardous activities to the teachers, CCPCs & CP Ensure that they go to school everyday Do child surveillance Attend school Do peer monitoring Report to teacher or CP or CCPC
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### 3.5.2. *Motivation for Participation in the CCLM*

According to older respondents, the CCLM process, especially child surveillance, is similar to the traditional communal system that used to be practised in Ghana, whereby the whole community had joint responsibility for the protection and proper upbringing of the child. Even though this system is fading due to urbanisation, the willingness of community members to offer assistance in protecting children was being rekindled by the CCLM. This explains why, though the work is voluntary, individuals have committed themselves to it. Every individual, whether an office holder or not seems to try to provide the needed support to make the CCLM work in the community. In the words of the Assemblyperson:

I was one of the people who started the programme. I had to go round driving children out of their homes to the classroom to avoid sending them to the farm by their parents. I visit the teachers to find out how the children are doing in school and also make follow-ups on those who do not go to school. Now with the presence of the CCLM and other committees, the children are going to school.

On the part of Nana Banahene, the Chief of Dwease, his personal life has been his motivation. He had this to share:

I initially thought it was a disgrace to us if we do not let our children work harder on the farms because we thought we were rather helping the children. But I have come to realise that this issue of reducing CL is to help the children. They have to match others in lifestyle and in everything... I want the children in my community to excel academically... My personal exposure and experience have motivated my involvement in CL reduction. I had been a messenger, a clerical assistant, sales representative, a security-man, a chief security-man, sales manager and commercial manager. Because of what I've gone through, I want to encourage all the young ones to study hard so they could make it in life.

Mr. Adjei, a head teacher who was key in mobilising the other head teachers to be involved in the CCLM activities, explained that he had taken a lesson from his father's advice:

I'm from this community and have observed several children growing in the community I know that if I do not take good care of them, they'd grow up disturbing both the community and the nation.

Mr. Mensah, who is very instrumental in both the CP and CCPC said

I want to see other people get there. Everyone has a kind of character. I have volunteerism in my life that's why I am into this activity. I want to be appreciated for good work and also see results in the community. I've dedicated myself to the job. I don't want to disappoint my generation and the people who have given me this role to play.

The permeation of CCLM into the Dwease community faced some challenges at the initial stages because the leaders and residents did not understand the concept and issues. According to the Chief

A training that we attended at Bunsu after the scale-up survey changed my perception about the CL issues and realised that the issue was not that all forms of children's contribution to farm work were wrong, but rather the WFCL. This motivated me to mobilise my people to deal with the issues.

Opanin Kwadwo Duah, a farmer, also mentioned that

'We thought the issue was about children not participating in farm activities at all, a move that will spoil our children and eventually make them lazy [*'sei nkwadaa no na won aye akwadwofo'*], so I was not cooperating until we were sensitised about the WFCL.

Once there was an understanding on the part of the community of the issues surrounding hazardous CL, they easily accepted the need to act and the way was paved for the system to work effectively. Consequently, the CCPC had to meet every Thursday to solve issues pertaining to CL, a frequency attesting to how active the system was.

There were also stable conditions prevailing in the community provided by the leadership of the community, which strongly supported the activities of the CCLMS. The general consensus of the citizens was that the Chief's behaviour and activities helped to promote social cohesion. Maame Akua Abayie had this to say:

The good work of Nana is impacting positively on the programme in the sense that he does not joke at all with issues of CL, which I think is helping to sustain the programme.

According to respondents, Nana was instrumental in ensuring that members of the community adhered to the regulations of the child monitoring system. He is sincere and administers justice, punishes those who deserve it and makes sure his words are taken seriously. He is the type that follows up on assignments given to the elders to make sure they are working. The other committee members of the CCLM confirmed that the Chief's involvement in the child monitoring system has gone a long way to help reduce CL and motivated them to work.

Another area that had caused community members to cooperate with the CCLM was the sanctions they feared if they failed to adhere to HAF. As one woman farmer put it

Since the programme started, children are no more used for strenuous farm work. When a parent uses the child for another purpose at the expense of schooling, such parent would be in trouble when caught.

A child remarked that

I was absenting myself because my mother usually would ask me to stay in the shop whenever she travels. But when the CL programme started, she realised if she continues that way she will be in trouble, so she stopped.

Manifestly, personal experiences, personal relationships, norms and values influenced individuals' appreciation of the issues and the extent of participation in the implementation on CCLM. There was a clear sense of individual and collective responsibility for CL elimination and ownership of the process, especially at the community level. It was observed that culture and experiences affected how the individuals played their respective roles. At the AACMA level, there was a high level of recognition of the initiative and signs of institutionalisation or mainstreaming it in local government unit processes and structures.

The CCLM was built on foundations that are already in place (community structures) and grounded in those who have the official mandate (MA) and traditional authority (the Chief) to ensure that children are protected. National-level stakeholders were active at the initial stage, when the concept was introduced, and at the start of implementation, when capacities were being developed. It was the expectation of AACMA and community-level actors that the national-level actors would be actively involved. Social partnerships were being forged and deepened among local authorities, teachers, parents, children and farmers, as well as between municipal and national-level actors to ensure that all working children and child labourers were protected and not working in violation of the law or applicable regulations.





### *3.5.3. Challenges to the CCLM*

The CCLM was functioning amidst the following constraints.

All the key actors and stakeholders interviewed confirmed the effectiveness of the CCPC as far as these roles (Table 3.1) were concerned. From the responses it could be observed that the CCPC monitoring activities were mostly performed in homes and schools in the community. This was due to the difficulty in monitoring activities on the farms as a result of the large number of farmers in the community, visiting the farms would involve considerable expense of time and money. However, the CCLM employed an innovative way of acquiring information, by enlisting the help of teachers, who would observe the behaviour and physical appearance of the children when they were in school. An injury, for example, might suggest child abuse or participation in hazardous activities and then questioning to learn the cause of the injury. In third party voluntary certification for instance (Chapter 4), the farms of the farmers are sampled and checked for any non-compliance.

It was observed that there was still a lot of work to be done in terms of continuous sensitisation of both adults and children and in sustaining the referral system for social services. According to respondents, there was no referral system<sup>27</sup> in place, and most children had many needs in terms of school materials and food. A 15-year old boy talked about skipping school the previous week to earn the money he needed for printing exams materials: 'I weeded for half a day on a cassava farm before getting the ₡2.5 to pay for extra classes'. Even though there is free school system policy in place, other expenses serve as hindrance to their education.

As the social welfare officer put it

We are constrained by funds at the Assembly level. We are waiting for NPECLC unit to support us to put in place a comprehensive referral system that will include NGOs who can provide support. While we are waiting, the Assembly on its own is supporting; for instance, the assembly paid for the examination fees for all children in the Municipality; the Education Director posted teachers to fill teaching gaps; and I am also providing counselling and having discussions with irresponsible parents to ensure they provide for the needs of the children.

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<sup>27</sup> A national referral mechanism is a co-operative framework through which state actors fulfil their obligations to protect and promote the human rights of trafficked persons, coordinating their efforts in a strategic partnership with civil society (OSCE, 2004).

A well-coordinated multi-sector referral system is important for any programme that is meant to reduce CL with the aim to give identified child labourers access to social services, such as apprenticeship, and economic support and empowerment to parents for things like school materials. Empowerment of parents and guardians who were economically handicapped was completely absent in the CCLM as operated in Dwease. The implementers were failing to provide for the needs of identified children, as a result of inadequate funding and lack of referral system.

The lack of finance in the form of monetary allowances for the CCPCs also threatened the long-term sustainability of the system. As one of the CCPCs remarked, ‘if someone does something voluntarily, he relaxes overtime, especially when not motivated’. Most of the actors were performing their roles on a voluntary basis. The only person who was promised some recompense by the MA was the child monitor, and this had not materialised. According to the CCPC and CP, their roles entail a lot of work and were very time consuming and sometimes performed at the expense of their own jobs. Inadequate funding is therefore one of key challenges of the system.

Inadequate training was also an identified issue. A single day of training for monitors was not really adequate in view of the work involved (the quantity of information to be collected, initial analysis and follow-up referrals to be made). Adequate training and empowerment schemes are required for monitors to discharge their duties appropriately.

Lastly, as indicated (above), the data collection aspect of the system has not been effective. The community register data was supposed to be submitted to the Municipal Assembly every month for storing and onward submission to national level. I respected the database created and report submitted. At the time of compiling this report, the national level collation had not been done.

#### *3.5.4. Perceived Impacts of CCLMS on Children’s Social Situations*

As mentioned, in order to make comparison between a beneficiary CCLM community and non-beneficiary communities, data was collected from two non-beneficiary communities in two high cocoa-producing regions in Ghana, namely Kwasusu, in Brong Ahafo Region, and Aboboyaa, in Western Region. The impact of the CCLM intervention in Dwease was assessed by comparing the figures with that of Kwasusu and Aboboyaa in respect of school attendance, school enrolment, academic performance of pupils, and the number of children involved in

hazardous and child work, and parents' responsibility towards children. A total of 109 children from the various communities were interviewed (Table 3.2).

Table 3.2.Age Distribution of Children Interviewed

Community	Age						Total
	8-11		12-14		15-17		
	No.	%	No.	%	No.	%	
Dwease	15	38.5	15	38.5	9	23.1	39
Kwasusu	10	27.8	9	25.0	17	47.2	36
Aboboyaa	15	44.1	9	26.5	10	29.4	34
Overall	40	36.7	33	30.3	36	33.0	109

### 3.5.5. Impact of CCLM on Children's attendance to school

All the children interviewed were enrolled in school. The CCLM was found to have had a relative impact on the attendance, as shown in the responses in the FGDs. Whilst only 7.7% of the children interviewed at Dwease had skipped school at least once in the previous week, in the non-monitored communities such as Kwasusu and Aboboyaa, the absenteeism rate in these schools was about twice of that of Dwease,, at 13.9% and 17.6% respectfully (Table 3.3).

Table 3.3.Distribution of Students who had Missed School at least once in the Previous Week

Community	Number	%
<b>Dwease</b>	3	7.7
<b>Kwasusu</b>	5	13.9
<b>Aboboyaa</b>	6	17.6
<b>Total</b>	13	11.9

The reasons for absenteeism from school were categorised into sickness, financial constraint and cocoa farming. One of the pupils from Dwease had been absent from school due to cocoa farming work (providing labour). This compared to two from Kwasusu and four from Aboboyaa. Again, one child from Dwease was absent because of sickness and another one due to parental inability to purchase drawing board. In Kwasusu, one of the children who skipped school attributed it to cocoa work whilst one attributed it to sickness. With regard to Aboboyaa, four children and one child attribute it to cocoa work and sickness respectively. Although the sample is small, these results do indicate that Dwease had a significantly lower absenteeism related to cocoa work than the comparison communities. Other factors should also be taken into account, here, however.

In general, three factors were observed in the school environment, to affect school attendance: accessibility of schools, availability of teachers and their commitment to school work and school conditions. At Aboboyaa, there was one primary school and no junior high school in the locality. Children accessed a junior high in Sefwi Wiawso, the municipal capital by walking about 4 km away, which they found tiresome. The children in Kwasusu attend nearby Konkotreso primary and junior high, about 1.8 km away. As at Aboboyaa, the school conditions were generally good, with reasonable infrastructure and a full complement of mostly trained teachers, especially at the junior high level. At Kwasusu, there was a particularly hardworking head-teacher who ensured regular school attendance.<sup>28</sup> Dwease, as noted (above), has four primary schools and two junior highs. The school buildings were in good conditions and fairly furnished. They had a complete compliment of trained teachers with most of the teachers holding diplomas in Basic Education. Overall, therefore, the figures may have been skewed a little in Dwease's favour due to better local infrastructure, but not so much as to completely undermine the indication that the CCLMS was having a beneficial effect.

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<sup>28</sup>For instance, every parent, especially at the junior high was made to sign a 'bond' for school attendance in preparation for the Basic Education Certification Examination (BECE).

### **Box 3.1 Combining School with Work**

Christian was one of the children who participated in this study at Dwease. He was involved in most cocoa activities and had this to say as the reason for his involvement :

*My father works alone so I have to help him. I go along with him to the farm to help harvest and take part in other activities. I willingly do these activities to help my father, but I don't miss school. I don't see helping my father as a problem for my schooling. Last term, I was fourth out of 26 students and with the two tests taken, I had 85% in the first test and 75% in the second test. I do this work because I want to without any pay so that my father would see that I'm a good boy.*

When the school register was checked, it was observed that Christian had missed school on only three days out of the seven weeks. His teacher commented that Christian was an average student who sometimes contributed in class. This is an exceptional case, however, since none of the other children managed to effectively combine school and work. The children mentioned that they work as a way of contributing their quota to the welfare of the family and more importantly be accepted as a responsible growing child.

#### *3.5.6. Children's involvement in child work and hazardous activities*

The activities of the children were assessed using the HAF standard (Table 2.2), and most were found to be involved in non-hazardous work. Table 3.4 below presents the various non-hazardous activities and numbers of children involved in the various communities. Although almost all the children in the three communities partook in non-hazardous activities (i.e., regardless of whether there was CCLM intervention or not), the farmers at Dwease were more cautious in respect of the extent to which they expected their children to do these. For instance, in Dwease 60% of the children in the youngest (8-12years) category were involved in picking harvested pods, whereas Kwasusu recorded 80%; none of the children in Dwease were involved in uprooting weeds around young cocoa trees as compared with 50% of the children in Kwasusu. Generally the performance of Dwease was better than that of Kwasusu and the same as Aboboyaa in this category. In the middle (13-14 years) category, relatively fewer children were involved in cocoa activities in Dwease than in Kwasusu and Aboboyaa. For example, whilst only 40% of the children in Dwease filled nursery bags with black soil, Kwasusu had all the children involved in the activity with Aboboyaa recording approximately 56%, and for removing beans from pods and carting of beans, none of the children in Dwease partook such activities as opposed to some 56% of the children in Kwasusu. In the case of the

oldest (15-17years) category, there was not much difference in the non-hazardous work done by the children in the three communities, but on average the children in Dwease were the least involved in cocoa activities. The non-hazardous activities done by this group included assisting in planting, weeding undergrowth, plucking of pods within hand reach, breaking of pods with mallets and carting of beans over a distance of two kilometres.

Table 3.4.Children involved in non-hazardous child labour activities (CL) in cocoa

Age	Non-Hazardous Activity	Dwease		Kwasusu		Aboboyaa		Overall	
		No.	%	No.	%	No.	%	No.	%
8-12	Helping in cooking and serving food	5	33	5	50.	5	33	15	38
	Running farm errands	–	–	6	60	5	33.3	11	28
	Picking harvested pods from under cocoa trees in the company of adults	9	60	8	80	9	60.0	26	65
	Uprooting weeds around young cocoa plants	–	–	5	50	–	–	5	13
									100
13-14	Filling of nursery bags with black soil	6	40	9	100	5	56	20	61
	Gathering of cocoa pods	13	87	9	100	9	100	31	94
	Scooping and removal of beans	–	–	5	56	–	–	14	42
	Carting minor loads	–	–	9	100	9	100	18	55
	Watering of Seedlings at the nursery	6	40	5	56	7	78	18	55
									100
15-17	Assisting in planting cocoa	9	100	17	100	9	90	35	97
	Weeding/brushing undergrowth with age-appropriate cutlass*	3	33	–	–	3	30	6	17
	Plucking within hand-reach pods	4	44	7	41.2	–	–	11	31
	Breaking cocoa pods with breaking mallet or hitting on the ground	3	33	17	100	6	60	26	72
	Carting load not exceeding 30% bodyweight for more than 2 miles (3 km)	7	78	13	77	8	80	28	78
									100

\*Sua-ado or small cutlass

As depicted in Table 3.5 some of the children in the three communities were involved in some form of hazardous activities, such as weeding with machetes or a long cutlass, climbing trees

higher than three meters to cut mistletoe, working with agrochemicals, being present in the vicinity during spraying of pesticide, using a harvesting hook to harvest cocoa and breaking cocoa pods with knife. At Dwease, the involvement of children in the hazardous activities was considerably less pronounced than in the non-CCLM communities. For example, in the case of using long cutlass to weed, whilst Dwease recorded 5%, Kwasusu had 31% and Aboboyaa recorded 15%. Similarly, whilst none of the children was involved in cutting mistletoe in Dwease, children in Kwasusu (6%) and Aboboyaa (9%) participated in that activity. The results also indicated that none of the children from all the three communities were present whilst spraying was underway, but one child did work with agrochemicals at both Kwasusu and Aboboyaa.

Only in one measure – using a knife to break cocoa pods – did Dwease fair badly in respect to either of the comparison communities (nine children involved as against five in Kwasusu. However, this was more than offset by the use of dangerous blades for weeding (two children in Dwease, 11 in Kwasusu), and even for this (breaking pods with a knife) measure, Dwease performed better than the average (23% as against 27%).

Compared to Dwease, which had 31% of children interviewed to be involved in at least one hazardous activity, Kwasusu and Aboboyaa had more (83% and 100% respectively) children involved in at least one of the listed hazardous activity. Overall, the results suggest that significantly higher proportions of the children in communities without CCLM intervention were involved in hazardous as well as non-hazardous activities than were the children in the CCLM intervention community. Although the sample size was not large enough to draw conclusive conclusions, the results were clear enough to support the claim that the CCLMS appears to work in respect of its main objective. Fundamentally, where CLM was used as intervention, CL declined.

Table 3.5.Children involved in hazardous child labour activities in cocoa

Hazardous Activity	Dwease		Kwasusu		Aboboyaa		Overall	
	No.	%	No.	%	No.	%	No.	%
Using machetes/long cutlass for weeding	2	5	11	31	5	15	18	17
Climbing trees higher than 9 feet (3m) to cut mistletoe with cutlass	–	–	2	6	3	9	5	5
Working with agrochemicals*	–	–	1	3	1	3	2	2
Present/working in vicinity of farm during pesticide spraying or re-enter a sprayed farm in <12 hours	–	–	–	–	–	–	–	–
Harvesting overhead cocoa pods with harvesting hook	1	3	5	14	6	18	12	11
Breaking cocoa pods with a knife	9	23	5	14	16	47	30	28
Total number of children involved in at least one of the above listed hazardous activities	12	31	30	83	34	100	76	70

\* Purchasing, transport, storage, use (mixing, loading and spraying/applying), washing of containers and spraying machine and disposal.

### 3.5.7. Family Coping Strategies and Household Labour Arrangements

#### Family Coping Strategies

In view of the child monitoring activities on-going in Dwease, the study also sought to learn the coping strategies being adopted by people and the emerging labour arrangements. This study found that the main cocoa activities that engage the children when they skip school were the gathering of cocoa beans and carting of wet beans from the farm to the village (Table 3.4). These two activities are time bound. After the cocoa is fermented (for six to seven days), it needs to be dried immediately to avoid loss of beans through over fermentation and mould leading to low bean quality. The risk of losing beans and high cost of labour were the main reasons why the children are compelled by their parents to skip school for the farm. The strict adherence to six days fermentation is very critical to the number of cocoa bags the farmer will get and hence the income.

To formalise their action and avoid being sanctioned by CCPCs some parents sometimes asked permission from teachers for their children to skip school. Knowing the family situations, the teachers sometimes oblige. Most of the children interviewed were quite willing to support their parents, even at the expense of school, because they knew that their education very much depended on the income from the farm. Skipping school for work and as a result of



lack of funds to cover school needs should also be seen as a coping strategy by both children and parents or guardian. For instance, some of the children were made to skip school because they had to wait until parents could afford school materials.

Further to keeping their children from school, another coping strategy adopted by farmers was that of taking loans from informal sources (to augment their income and invest in cocoa and other farms for instance hiring labour and paying school fees). Some farmers take loans during the off cocoa-harvesting season from private credit providers to for instance pay for children school fees (especially at the senior high school and tertiary institutions) as well as hire labour, sometimes even with 100% interest (even though the farmers claimed they can use their cocoa farms as a collateral for loans, most of them rely on local money-lenders at high interest instead of taking loans from formal banks, since banks are not readily accessible to them). Some of the children also find a way to generate income; for instance, they did half day weeding (e.g. on cassava farms, as mentioned), crab catching and fetching firewood for sale to cover some school expenses and support the family income.

#### Household Labour Arrangements

Labour on the Dwease farms consisted of 60% self-labour, 10% family labour, 10% daily hired labour, 15% caretaker (*nhwesoo*) system and 5% mutual labour support (*nnoboa*) system. The *nnoboa* system is used mainly for breaking cocoa pods and sometimes for weeding, but this system is less utilised in the cocoa communities than elsewhere due to lack of trust among farmers, lack of management and resources to maintain the *nnoboa* groups, and lack of technical support from appropriate institutions. The *nnoboa* system thrives on reciprocity. Farmers expect their colleagues to reciprocate their services to them, and anything less than that is likely to cause the group to collapse.

The cost of paying daily labour rates varies from activity to activity. For instance, the cost of weeding or clearing was GhC 6.00; planting, GhC 5.00 whilst harvesting and carting cost GhC 7.00 for an average number of hours worked by a daily labourer of four hours (8am to 12 noon). In addition to the pay, food or foodstuff is provided by the farmer. The farmers considered this source of labour as a big strain on their incomes, but they were compelled to go for it as it was difficult to get labourers for long term (one-year) contract for a fixed fee to be paid at the end of the contract and after harvesting. Indeed, it was partly the high cost and shortage of adult labour that had led to the involvement of children in some hazardous cocoa

activities. It should be noted that no new emerging labour arrangements were observed as a result of the implementation of CCLM in the community.

### **3.6. Discussions**

#### *3.6.1. Operationalisation of CCLM*

##### Structure of the CCLMS in Dwease

This study showed that the CCLMS was supposed to operate at three levels: the community (micro), Municipal (meso) and national (macro). The roles of actors at each level were clear and unambiguous, which facilitated an easy assimilation of expected outcomes of the intervention despite the fact that the intervention was new and externally motivated. There was an extensive use of both existing and new structures, such as the chieftaincy institution and the CCPC, with the chief providing strong leadership to enable the community as a whole to take responsibility for its actions. Coordination between the groups was smooth as a result of the actors understanding their roles, thus giving credence to the assertion that actors perform very well when they know their roles and how their roles relate or feed into each other (Seddon et al., 2008). This validates one of the key pillars of CCLM – that it should be anchored in existing local and district structures.

As illustrated in Figure 3.3, the structure that enables cooperation in the Dwease community involves different bodies working together and ensuring cordial relationship among the parties involved. While the CCPC was responsible for raising awareness, registration of children and monitoring CL issues, the CP handled cases uncovered by the CCPC where financial or other circumstances posed a threat to a child's rights. The collaboration between actors at the micro-, meso- and macro-levels is worth mentioning. The utilisation of organisations such as AACMA, CCLM, CP, traditional authority and schools reflect the opportunities provided for building social capital for identifying and solving local problems that meet localised as well as globalised needs. This social partnership (Billet et al., 2007) that existed in Dwease connecting the micro-level with the meso- and even at the macro-level is essential in building actor capacity, especially at the micro-level and has the potential of sustaining a social development that is in tune with local norms and circumstances. This can then lead to desirable initiatives that reduce reliance on municipal and central governments. This was confirmed in the present case by the application of sanctions against perpetrators of CL by the local actors. However the 'social partnership' enacted or initiated from outside the

community, such as CCLM, may be constrained by municipal and central government political and administrative challenges. The data collection process, for instance, and lack of a comprehensive referral system as well as of economic incentives to boost income were all limiting factors here for the overall outcome of the intervention at the community level.

The intervention has also brought governmental machinery such as the MA to the community than before and attends to both technical and material needs of the community. As a result of the regular interaction between community actors (micro-level) and municipal assembly staff (meso-level), the needs of the community were being attended to. An example of this was where the examination fees that were supposed to have been paid by parents were absorbed by the Assembly; another was where the construction of a library complex by the AACMA, and another was the motivating of community leaders to work voluntarily. The social welfare structure mandated to monitor social situations of children at the AACMA level was understaffed. With only two people working there, it was not possible to do effective monitoring and this therefore relied on the vigilance of the community actors to complement its efforts. This process has strengthened and offered opportunities for institutions to prove their worth in handling children affairs as well as filling the gap in terms of organisational performance.

### *3.6.2. Individuals Involved in CCLMS Performing Social Roles*

The enthusiasm of community actors involved in the CCLMS, even without monetary compensation, was expressed as a result of their proper understanding of the issues, the effects of hazardous labour on the child, community and the nation as a whole, as well as the willingness to protect children. According to respondents, the child surveillance system was not very difficult to implement because it was similar to the communal system where there is a norm that a child does not belong to the parents alone but an asset to the entire community. The key part played by the Chief indicated that it is essential to have at least one highly respected person who is committed to the implementation process as a local leader. This confirms Gutierrez, Hilborn and Defeo's (2011) assertion that legitimate community volunteers and leaders when guided by collective interest and not self-interest can influence community compliance of standards, enforce by-laws and resolve conflicts which otherwise could have negative effect on children.

Nevertheless, a reliance on volunteers such as CCPCs adds complexity to the maintenance of these social partnerships and capital, since they choose how and when they contribute and for

what purpose (Billet et al., 2007). They are therefore disposed to fatigue over time, which may characterise a higher turnover of participants and require replacement and/or renewal more frequently. Adequate compensation for the time given, as well as continuous processes of building and sustaining trust, genuine engagement and progress that reflect personal or local concerns, are required to sustain and engage the ‘volunteer participants’ (ibid). The process whereby the community members were given the chance to select their leaders through *durbar* was evidently a good strategy to get them to cooperate. This confirms the literature supporting the idea that community interventions are more successful if the community feels that it is part of and owns the process (Reed, 2008), but it is importantly realised through the commitment of its leaders.

### *3.6.3. Data Collection System*

As mentioned, the data collection aspect of the system has not been fully developed at all levels, especially at the national level. This was because of a lack of capacity to support the coordination and give technical, financial and policy support to Municipal and community members. This shows the importance of the empowerment of actors in innovation trajectories and the implications of incapacity of one of the actors in the network. The CCLMS is supposed to collect data on WFCL in the community on a continuous basis, in a cost effective manner, using local resources. This would be useful for dealing with CL through a robust system in which the data is linked to immediate response in order to avoid the time gap between identification and remediation on behalf of victims in the cases of WFCL. This information can be linked to community action planning, with communities being actively involved in eliminating WFCL in the cocoa sector and agriculture in general.

The data collection aspect is also important to enable the determination of trends in CL practices in the cocoa sector in the various communities and districts. This will be useful in assessing the effectiveness of the measures and policies aimed at eliminating WFCL in cocoa and inform re-planning at community, district and national levels. The national report generated is supposed to aid the appropriation of financial resources and enactment of policies to support the effective implementation of the interventions at the micro- and meso-levels. It is therefore surprising that the referral system was not well established.

Again, depending on the size of the community, data collection, such as keeping a community register, can be quite time consuming. Data collectors, who were basically smallholder farmers, most often sacrifice their farm work for data collection. They and the other members

of the committee were not remunerated for the vital service they were providing. This is indicated as a major challenge in the sense that, looking at the numbers involved at the community level, it is obvious that to bring this to scale will be very costly. Designing a cost-effective incentive package that will recompense and thus motivate CCPCs to provide a quality service that guarantee the credibility of the data collected is required. The scale-up of the CCLMS to cover other communities is needed going forward, therefore.

#### *3.6.4. Impact of CCLM on Children's Social Situations*

The results obtained showed that school attendance was high in all communities but better in that CCLM community than non CCLM communities. School attendance was over 92% for Dwease, 86% for Kwasusu and 82.4% for Aboboyaa. The average of the three is comparable with the current national school attendance rate of 86% (GSS, 2014). This is mainly because the school conditions for the three communities were similar, especially in respect of school building and trained teachers. It is well established in the literature that improvement in school conditions such as infrastructure, teacher quality and teacher experience are some of the key factors for increased school attendance (Branham, 2004).

Secondly, the results indicated that most of the children performed non-hazardous activities more than hazardous activities, regardless of whether there was intervention or not. In the communities without CCLM, however, the non-intervention children were involved in both hazardous and non-hazardous activities, whilst children in the CCLM intervention community were mostly involved just in HAF-permitted child work activities, and less involved in hazardous activities. This, along with information from both adults and children, implies that the children were not only used for required labour but also wanting to contribute to family needs and were being specifically involved in activities meant to instil some basic skills and interest in cocoa farming. This supports the assertion that in the case where work causes little or no harm, abolishing work altogether is overly restrictive (Camfield & Tafere, 2009; Poluha, 2007).

Some of the children did perform activities that were hazardous and skipped school for cocoa work. The situation was significantly better in Dwease than the other non-CCLM communities, however, which indicates the success of the community-based approach to combating CL, especially when taken together with the lower levels of light work done in the intervention community. Nevertheless, the continued practice of work by children either prohibited or deemed detrimental indicates a need for labour in smallholder situations. This

thesis thus asserts that children's participation in hazardous activities may play its role in the coping strategies adopted by farmers. The problems revealed with other labour forms related to payment and supply further indicate an economic reality that should be weighed appropriately in assessing the place of children's work and CL in cocoa farming in Ghana.

Thirdly, cultural values played a significant role in influencing children's support to parents in cocoa farming. This is very much supported by the literature. The desire of child to be seen as a 'good child' by the parents and guardians also influenced the support they gave to parents, even at the expense of their education. CL could be said to be family and culturally embedded, and any intervention which is oblivious of this fact is bound to struggle. The desire of the children to support the family business is an indication that cocoa farming will, continue to be smallholder family business in Ghana for a long time.

#### *3.6.5. Emerging Coping Mechanisms*

The main cocoa activities that engaged the children when they skip school were the gathering of beans and carting of wet beans from the farm to the village, linked to the fermentation-drying process and the risk of losing beans. This and the high cost of labour to replace the children were the main reasons why parents had their offspring skip school for the farm. This confirms in various researches that indicate poverty levels to impact the way in which households deal with shocks and the extent to which investment in children is sacrificed as a risk-coping mechanism (Gorsh et al., 2008).

Thus, dealing with the labour constraint will not only bring high productivity and reduce labour costs, but will also minimise the withdrawal of children from school by parents to assist them on the family farms. The one source of labour that was identified as under-utilised was the *nnoboa* system. Making up just 5% of the total labour usage according to the information gained here, this cooperative system of shared labour solidarity has been practiced in Ghana for centuries. According to Teal, Zeitlin and Maama (2004), however, the practice of *nnoboa* has been dwindling over the years. The key factors identified by this study, confirming Teal et al. (2004), are loss of trust, lack of management of *nnoboa* groups, lack of resources to maintain the groups and lack of technical support from appropriate institutions. The reconstruction of the *nnoboa* system by dealing with these obstacles to address labour shortfalls would have a positive impact on cocoa labour issues that affect both children and farmers.

Since cocoa farming involves a lot of labour in its production most of the farmers are adopting strategies to deal with the shortage of labour that arises from not using children in cocoa farming. It was observed that because of the intervention of the CL monitoring system at Dwease, most of the farmers had resorted to seeking the services of daily labourers to do the farm work which increased labour cost. In the event of not being able to hire labour or have access to the *nnoboa* service, farmers have resorted to persuading the children to skip school to help them, especially in gathering of pods and/ or in carting wet fermented beans for drying. The CCLM intervention concentrating on the social aspect alone and without tackling the economic improvement of parents into proper account may be expected to suffer over time if and insofar as it fails to get at the roots of the problem of CL admitted by all, farmers included.

### **3.7. Conclusion**

This chapter has sought to unearth the operations of the Ghanaian CCLMS in operation and investigate its potential to generate social capital to deal with WFCL, as well as ascertain the emerging household labour re-arrangements and coping strategies adopted by farm families.

The main research questions are:

1. How is the CCLMS being implemented in Dwease?
2. How is the CCLMS generating social capital to deal with child labour?
3. What are the coping strategies adopted by parents and children and emerging labour rearrangements?

#### CCLMS Implementation and Social Capital

Firstly, the results indicate that the CCLMS operates at three (micro-, meso-, macro-) levels, from the local community through the district municipal to the national governmental. They also show the importance of formal and informal institutions and organisations to effectively combat CL. CCLM appears to enhance children's access to educational facilities for learning and growth (human capital development). The CCLMS is serving as a voluntary social auditing system, where individuals and members hold themselves accountable for the welfare of children. It has mobilised and empowered the community to work at solving problems confronting the community and children.

Secondly, the study identified a lack of robust data collection system, inability of the system to monitor children at the farm level, weak organisational capacity (technical and financial),

weak referral system, inadequate incentive system for actors (especially at the micro-level), inadequate alternative labour and lack of economic incentives and inadequate funding. These are thus stated to be the main limitations of the CCLMS that may affect its sustainability. The challenge of not monitoring at the farm level maybe remedied if the children are empowered through sensitisation on their rights and responsibilities to the extent that they can demand these rights from their parents and guardians and report any abuses to the CCPC and their teachers without fear of victimisation.

Thirdly, the study has shown that experience, personal relationships, norms and values are essential in influencing individuals' appreciation and comprehension of the issues. All these have effects on the extent to which community members participate in the implementation of CCLM. It is noted that there was a sense of individual and collective responsibility for CL reduction and ownership of the process, especially at the community level. At the AACMA level, there was high recognition of the initiative and signs of institutionalisation (mainstreaming it) in local government unit processes and structures.

Fourthly, the results show that the CCLMS was built on foundations already in place (community structures) and which are going to be there into the future and that it was grounded on those who have the official mandate (MA) and traditional authority (Chief) to ensure that children are protected. The national-level stakeholders were active at the initial stage, where the concept was being introduced and when implementation capacities were being developed, but their involvement dwindled as the municipal and community level took control. Social partnerships were created with local authorities, teachers, parents, children, farmers and municipal authority and national level actors to ensure that all working children and child labourers are protected and are not working in violation of the law or applicable regulations. The CCLMS is embedded in community structures and has established local and municipal partnerships and alliances that have fostered ownership and brought positive changes. The members of the CCPC, the CP and even the chieftaincy institutions are premised on the social capital agency of individuals, their interests and their energies, and influence through social pressure that regulates, coordinates and exerts pressure on farmers and parents to change their attitudes towards the use of children in cocoa farms and offer general protection.



### Impact of the CCLMS on Children's Social Situations

Firstly, it is shown that communities with a CCLM intervention are more likely to improve social situations of children than communities without it, insofar as significantly less children were found to have skipped school the previous week. It was also shown that the CCLMS was linked to reduced child-work in general, both hazardous and non-hazardous, although neither was eliminated. Lastly, children in the CCLM community clearly enjoyed an expanded social protection from the actors involved in CCLM and even the whole community than did those in non-CCLM communities. In view of this, the scale-up of the CCLMS to cover other cocoa communities is implied, which also carries cost implications for the long-term future.

Secondly, the desire of children to support family business and to be seen as a 'good child' by parents and guardians are indications that cocoa farming. This is critical for children's involvement in cocoa work; those children should not only be targeted for separation from work and CL but should also be offered appropriate avenues to nurture their skills through cultural-legally acceptable frameworks that provide for their involvement and eliminate the worst forms of CL.

### Coping Strategies Adopted by Farmers

The study has shown that no matter the intervention, CL will be solicited by parents in the absence of alternative labour sources. The time-bound nature of some of the activities in cocoa farming exerts pressures on farmers to perform certain tasks at stipulated periods in the process in order to achieve maximum yield. From the study, it was found that children still have to skip school to support parents during the performance of such critical cocoa farm activities, particularly gathering pod and carting wet fermented bean. The time-bound nature of drying wet fermented cocoa beans thus causes parents to withdraw children from school to perform that service, and this will continue unless alternative labour arrangements are found. Encouragement and improvement of the *nnoboa* system are recommended to boost labour availability. This will have positive impact on cocoa labour issues that affect both children and farmers. It will enhance income and the productivity of farmers and thereby reduce children's involvement in hazardous CL by attacking its structural determinants.

## CHAPTER 4

### **Implications of Third Party Voluntary Cocoa Certification on Labour and Livelihood Systems In Ghana<sup>29</sup>**

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<sup>29</sup>An earlier version of this chapter was published as Owusu-Amankwah, Ruivenkamp, Essegbe and Frempong (2014).

#### **4.1. Introduction**

In response to the non-ethical practices such as CL and poor remuneration for producers in cocoa supply chain, the large corporations, such as Mars, Mondelez, Nestle and Hershey Foods resorted to various certification options. These options included third party private voluntary certification (TPVC) systems and labelling schemes that are internationally recognised as providing benchmarks for rigorous scrutiny. The adoption of these options by the multinational cocoa business has been interpreted differently by different stakeholders. Many people see the options as tools to assist in reducing the unsavoury reputation incurred as a result of their indifference to child labour issues while, improving the sustainability of supply networks without weakening long-term viability. To others, subjecting producers to benchmarks and standards of third party auditing organisations, such as Fairtrade (FT), UTZ Certified (UTZ) and Rainforest Alliance (RA), is a means of increasing the transparency of companies who subscribe to them.

In respect of smallholders, there are mixed views about certification. It is said to provide a more profitable option for smallholders in terms of higher productivity than existing production systems (Afari-Sefa et al., 2010; Gockowski et al., 2013; Quarmine, 2013). Those who hold contrary view saw the certification process as a means to exclude some farmers from accessing the accompanied benefits, especially those with cocoa lands smaller than 1ha and those who do not belong to any farmers' groups (KMPG, 2012). Again certification is said to be an expensive process (Kalus, 2004) as the certified producers apply a higher level of effort to enhance the quality of their cocoa beans (Quarmine, 2013).

Stakeholders view cocoa sustainability in terms of economic, environmental and social with regard to cocoa production and processes. The economic sustainability is related to productivity and increased prices, which enhance farmers' incomes; environmental sustainability is concerned with the application of best practices to reduce the negative impact on the environment; and the social aspect of sustainability revolves largely around ILO conventions (above, Section 1.2.2).

## 4.2. Conceptual Framework

### 4.2.1. Certification Concepts and Concerns Raised in Industry Public Certification System

As indicated in the previous chapter, the cocoa industry was required by the H-E Protocol to partner with other major stakeholders to develop and implement credible, mutually acceptable voluntary, industry-wide standards of *public certification*, consistent with applicable federal law, that cocoa beans and their derivative products have been grown and/or processed without any of the WFCL. The industry defined the public certification programme as ‘a transparent, credible and progressive process that reports, on a country-to-country basis, the incidence of the worst forms of child labour (WFCL) and forced adult labour (FAL) in a producing country’s cocoa sector as a whole and on progress made in reducing these incidence, with the goal of eliminating WFCL and FAL from the sector’ (Tulane, 2010: 33).

The public certification process (PCP) has faced criticisms centred in particular around the data collection, reporting, remediation standards and independent verification. A study done by Tulane University commissioned by the US Senate in 2010 (Tulane, 2010) reported that the PCP targeted the whole country as a unit instead of looking at each case separately and specifying by location, and that *no adequate provisions were made for the remediation of the children involved* in the hazardous process. Also, the industry’s certification did not make any provision for a label to specifically signify non-WFCL production of cocoa as consumers look out for credible ethical products in the market place. The criticisms of the public voluntary certification and the increasing demand for ethical and sustainable cocoa therefore led to the industry’s adoption of private voluntary certification systems.

While the PCP provided data on the nature and extent of CL (MMYE, 2008) in the cocoa sector of Ghana, the International Labour Rights Forum (ILRF) and Neil (2011), for instance, have argued that no standards were set for assessment nor any process to verify that producers are meeting any standard. It is argued that the process of industry certification is not certification at all, and that the industry uses misleading language in explaining certification. This shows that standards are very critical in any certification process.

### Product versus Process Standards

The standards set for certification are ‘documented agreements containing technical specifications or other precise criteria to be used consistently as rules, guidelines or definitions, to ensure that materials, products, processes and services are fit for their purpose’ (ISO, 2014). Standards are used as guidelines and for capacity building: ‘*Product standards* are specifications and criteria for the characteristics of products, whilst *process standards* are criteria for the way the products are made’ (Danker, 2003: 7). Social and environmental standards in agriculture are essentially process standards. Danker further categorises process standards into *management system standards* and *performance standards*. While management systems standards are a set of criteria for management procedures, documentation for monitoring and evaluation procedures, such as internal control system (ICS) or internal management systems (IMSs), performance standards establish verifiable requirements for factors such as the non-use of certain pesticides or the availability of sanitary services.

The cocoa certification system as in operation in Ghana is a process standard that aims to ensure that cocoa production is free from child exploitation and it is environmentally friendly. All the voluntary standard operators in Ghana – FT, RA and UTZ – operate to standards built on the three pillars of sustainability – environmental protection that enhances biodiversity, social equity and economic viability – which are achieved through the promotion of good social practices (GSP), good agricultural practices (GAP) and good environmental practices (GEP). Whilst economic sustainability looks at increased productivity, increased price and therefore enhanced incomes for farmers, environmental sustainability focuses on reducing negative impacts on the environment. The social criterion, which forms a critical part of all certification initiatives, is aimed at reducing WFCL and improving working conditions of adult workers.

Each of the three voluntary standard operators has its own allegiance and biases. The FT cocoa programme, the first third-party independent and transparent voluntary standard system in Ghana, focuses on preventing and removing children from hazardous work on cocoa farms and seeks to provide premiums that can be invested in projects enhancing social, economic and environmental development (FLO, 2011). The RA has standards that cover ecosystem conservation, wildlife protection, water and soil conservation, agrochemical reduction, housing, wage standards and social quality. The sustainable agriculture standard for RA prohibits farms from employing full or part-time workers under the age of 15, while ensuring

that children between the ages of 15 and 17 obtain authorisation for employment signed by their parents or a legal guardian (Millard, 2010). The UTZ cocoa programme aims to ensure that producers are professionals implementing good labour and agricultural practices (Clark & Gow, 2011).



**Figure 4.1.** Logos of Certification Bodies

Thus, FT is biased towards economic standards. It is very concerned with premiums and setting minimum price thresholds. The FT premium was \$150 per tonne in 2009 and rose to \$200 in 2011.<sup>30</sup> However, cash payments to farmers depend on the internal operational costs and community projects and organisational strengthening activities embarked on by the local farmers' cooperative (see below, Section 4.4.1). For instance, at the individual farmer level, the sum of GhC 2 per bag was paid to Kuapa Kokoo farmers in Ghana in 2003 (Nelson, 2013). FT subscribes to the Fairtrade Labeling Organisation (FLO). The RA emphasises more on protecting wildlife and biodiversity, whilst UTZ places importance on the traceability in cocoa supply chains. The RA subscribes to Sustainable Agriculture Network (SAN) standards (see Section 4.3.2, Table 4.1). Although UTZ and RA do not pay a premium up front, farmers' organisations and certificate holders may negotiate with the buyers.

The standards that these independent organisations employ were developed both with and without input from cocoa producer countries. These are broad, globalised standards that are, in most cases, supposed to be applied to all enterprises, plantations as well as smallholder

<sup>30</sup>1 tonne = 16 bags of cocoa; premium for 1 bag = \$9.

farms. This makes implementation at the farmer level problematic, and thus constituting a kind of imposition that has been heavily criticised as alien to farmers (Blowfield, 2004). The locals have to conform to the globalised standards to increase their competitiveness and also access niche markets. This chapter investigates how the locals or farmers perceive, translate and implement RA/SAN standards.

### Voluntary TPC

In voluntary TPC, the standard setting can be done by any party (Danker, 2003). The producer (first party) can set the standard, in which case the producers' interests are likely to be reflected in the standard. Also the buyer (second party) can set the standard, in which case business interests will be reflected in the standard. The standard can also be set by an independent body (a third party) such as the Sustainable Agricultural Network (SAN). This is said to reduce partiality and conflicts of interest (Blowfield, 2004) and is the norm assumed by the International Organization for Standardization (ISO), which defines certification as a procedure by which a third party gives written assurance (that a product, process or service is in conformity with certain standards) (ISO, 1996).

Certification can be seen as a form of communication along the supply chain: in TPC, a verification process is conducted and the assurance is provided by a party without direct interest in the economic relationship between the supplier and buyer. Certification performs economic functions such as product differentiation, supply-chain management, and liability reduction or protection of a firm or industry's reputation. It further enhances product differentiation if the standard is communicated to consumers through labelling or the presence of a logo on the final consumer product, both of which act as quality signals as well as opportunity to create niche markets in which higher prices may be obtained (Danker, 2003). Similarly, third party auditing is a management tool comprising a systematic, documented, periodic and objective evaluation undertaken by an independent third party on how well an organisation is performing, with the aim of achieving more sustainable practices.

The supposition of TPC is that the consumption of certified products will rise, thereby moving the supply chains toward sustainability, both in the specific goods or services consumed and by providing incentives to producers and sellers to change their practices (Cocoa Barometer, 2012). The three certification bodies mentioned are all private and voluntary. Business actors and farmers' groups therefore may take voluntary decision to join and allow their systems and farms to be subjected to inspection by internal and external inspectors. Consumers,

development organisations and governments trust TPC systems because, apart from being facilitated by independent third party auditing, they are said to have transparent standards and involve credible NGO partners. Companies that subscribe and conform to certification standards can label their products with a seal indicating that the product has been subjected to those standards.

Studies have shown that certification schemes help cocoa farmers to improve their yields and have strengthened farmer based organisations and capacity building (KPMG, 2012; Quartine, 2013; Weissenfluh, 2010). An independent auditing process is conducted by a party without direct interest in the economic relationship between the supplier and buyer. This paper focuses on the TPVCC system as an innovation to bring changes into cocoa production systems and thereby analyse how cocoa farmers in Ghana are benefiting or otherwise from certification.

Closely linked to the three pillars of certification is the concept of multi-functionality of agriculture, which includes non-commodity outputs. Using local and traditional as well as modern knowledge can facilitate multi-functional approaches to agriculture that benefit small-scale producers (Ollikainen & Lankoski, 2005). Multi-functionality recognises the different roles and functions of agriculture producing both commodities and non-commodity outputs, such as environmental services, landscape amenities and cultural heritage, in addition to foods (OECD, 2003; Ollikainen & Lankoski, 2005; Vatn 2002). Multi-functionality is explained to produce not only commodities but also sustaining rural landscapes, protecting biodiversity, generating employment and contributing to the viability of rural areas (Bohumil & Stanislav (2013) citing Havlik et al. (2005); Potter & Burney (2002)). This study investigates how TPVCC can be exploited as a conduit to promote multifunctional agriculture.

#### *4.2.2. Voluntary TPC as Innovation*

Change and innovation must be regarded as multi-actor processes evolving over a period of time. As farming is a carefully co-coordinated activity, a change in one domain has repercussions for other domains; therefore, one is always dealing with multiple changes in a complex system (Leeuwis & Van der Ban, 2004). It follows that innovation may be regarded as a package of new social and technical arrangements and practices that implies new forms of coordination within a network of interrelated actors. Innovations are deliberate interventions designed to initiate and establish future developments concerning technology, economics and social practices (Howaldt & Schwarz, 2010). According to Leeuwis (1999), innovation needs to be understood as a novel working whole. In other words, it may be a new way of doing



things or even doing new things or new ideas. Innovation thus defined is not only composed of novel technical devices or procedures, but also of new or adapted human practices, including the conditions for such practices to develop.

Recent approaches tend to conceptualise innovation in systemic terms, as a process that involves, at each moment, many actors, their relationships, and the social and economic contexts. This study adopts the system view of innovation, looking at ways farmers and stakeholders translate global certification standards and criteria into local practices for meaningful implementation in Ghana. It investigates whether local actors, especially at the farmers are standards takers or makers, negotiating and reframing global standards within the local socio-cultural context.

#### *4.2.3. Multiple-level Perspective Approach to Analysing Innovative Interventions*

There are many social units that participate in innovation strategies such as cocoa certification. Communities develop a range of socio-organisational arrangements (Van Schoubroeck, 1999) such as forming farmers' groups to access certification. As the process unfolds, decisions are continually being made by individual farmers, groups and organisations (governmental and non-governmental). In practice, it may be difficult to identify how decisions and actions feed into each other in a linear or logical sequence (Witte, 1972). This study, therefore adopts multiple-level perspective approach (MLPA) that identifies three analytical levels to understand system innovations as interactive processes of change. This is at the micro- and the meso-levels, as embedded in a broader landscape of factors at the macro-level (Geels, 2002, 2005b; Verbong & Geels, 2007).

Cocoa certification as a system thus employs an MLPA that involves actors operating and contributing to building the process at the community (micro), regional and district (meso) and national (macro) levels. The roles of actors and how those roles overlap are important elements in this. The micro-level units are formed by niches and act as incubation rooms. These niches are important, because they provide locations for learning processes and space to build the social networks that support innovations. For instance, it is important to assess the relationships that are being developed between farmers, intermediaries (licensed buying companies), NGOs and other stakeholders, together with the resultant learning process as it builds safety nets for producers to improve their social and economic situations.

According to Geels (2005), the meso-level is formed by socio-technical regimes and relates very well with the standard bodies in the cocoa certification arena. Their activities reproduce the elements and linkages in socio-technical systems. Each of these social groups has relative autonomy and at the same time may be both interdependent and interacting with one another. Interdependence and linkage between sub-systems occur because the activities of social groups are coordinated and aligned to each other.

Thus, the TPC built on economic, environmental and social standards will be analysed through an MLPA lens to understand different roles and contributions of global and local actors and their interconnectiveness. Theoretically, the MLPA framework will capture the interrelationships between the following four domains: labour (particularly children's), new institutional arrangements (local and global organisations), how actors achieve standard compliance by combining new, external human practices and elements with locally available practices to improve children's social situations, and the livelihoods of farmers.

#### *4.3. Problem and Research Questions*

Productivity resulting from cocoa certification and traceability initiatives has been widely analysed (Faturoti et al., 2012; Hainmueller et al., 2011; Kilian et. al., 2006; KPMG, 2012). The social aspect, however, has seen little analysis, especially in respect of the impact of certification on reducing CL. According to a study commissioned by the ICI to assess the advantages and disadvantages of third party certification, (KPMG/ICCO2012) elimination of CL is an area of extreme importance for the long-term success of certification, yet substantial field evidence is still not available.

This chapter aims at ascertaining how business actor-led TPVCC is being implemented in Ghana and its implications for changing children's social situation and mobilising farmers to confront the many challenges facing them as well as how they adapt to certification standards. It also looks at some implications of certification on productivity and livelihoods, the multiple actors involved and their relationships as well as how they impact on the socio-economic situations of children and farmers at micro-, meso- and macro-levels. The specific research questions are

1. How do farmers achieve compliance of global standards within the local socio-cultural practices?
2. How do farmers perceive the cocoa certification process?

3. What are the changing effects of third-party cocoa certification (TPC) on labour, particularly child labour, and the livelihood goals of farmers?
4. How has certification affected organisational and institutional dynamics in the Ghanaian cocoa industry?
5. How can the TPC system be used as a conduit to promote multi-functional agriculture?

#### **4.4. Methodology and Case Study Context**

##### *4.4.1. Methodology*

The MLPA involves interactive processes at the different of micro-, meso- and macro-levels. However, the reality of systems innovation is much more complex than this as the interactive processes cut across the neatly defined levels. The study reported in this chapter, therefore, combines a mixed-method approach with both exploratory qualitative case studies (Franke, 2005, Yin, 2001) and quantitative methods to gather and collate the responses to five main study questions.

Two case studies were pursued at the micro-level to provide understanding and give insight into certification process. Kofigyankrom (KK) and Tayikrom (TK). Data was collected from both certified (60 respondents, 30 per community) and non-certified (60 respondents, 30 per community) farmers from these communities. Discussions (FGDs) were held with 15 farmers at a time to ensure more interactions and discussions, so four groups were interviewed. In addition, two groups of community leaders were also interviewed. In total, six group interviews were conducted. The leader (key informant) interviews were very important to give the socio economic background of the communities.

The qualitative methods used included participant observations, in-depth interviews and FGDs. The FGDs sought to answer questions on matters such as stakeholders perception of the cocoa certification system and the extent to which certification was affecting social networks and social-organizational arrangement of the cocoa-production landscape, as well as the extent to which certification was preventing children's involvement in hazardous activities and also mobilising adult labour. A quantitative survey method was used to provide further understanding of the results from the case studies, especially in respect of children's social situations, such as regarding their school attendance, work and hazardous work. Children of

certified farmers from both TK and KK were interviewed one-to-one to assess the impact of certification on their education.

There was a follow-up to their schools to check the register to confirm attendance: school registers were examined to ascertain how regularly the children attended school in the 2011-12 academic year, for the first and second terms, when cocoa activities were at their peak. Observations made by researchers were used to buttress some points, ascertain situations and check specific issues, with further questions information sought informally as required. The researcher also sought to find out the kind of support their parents give them and their participation in cocoa work before and after certification.

At the meso-level analysis, representatives of organisations involved with certification were also interviewed one-to-one, using a semi-structured questionnaire. Some of the intermediary organizations interacted with included RA, the Agro Eco-Louis Bolk Institute<sup>31</sup> (AE-LBI), AfriCert<sup>32</sup> and Agro Eco. The macro-level information was limited to the drivers of the certification process, such as consumers, NGOs, media and government (from the North, as well as national), largely through literature reviews, conferences and field observation.

#### *4.4.2. Case Study Context*

##### Micro-level Context

Two farmer groups –Takyikrom Farmers’ Society (TKFS) and the Kofigyankrom Farmers’ Cooperative (KKFC) near Asankragua in Wasa Amenfi West district in Western Region – were selected for the survey, since these communities are almost entirely composed of cocoa farmers.

Kofigyankrom (KK) has a population of 800 people, dominated by migrants from various ethnic groups (40% Kuasasi, 30% Ewe, 20% Ashanti and 10% Krobo). Most of the migrants come to the community to farm, either by share-cropping or by serving as caretakers to other cocoa farmers. The KK community is also resourced with a primary school with five classroom blocks staffed by two trained teachers and two community teachers. This means that the school does not have the six classes required for primary schools. It does not have a

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<sup>31</sup>A Dutch organisation that operates in Ghana, an independent international knowledge institute aiming to advance sustainable agriculture, nutrition and health, and consider nature as the source of knowledge about life. [www.louisbolk.org](http://www.louisbolk.org).

<sup>32</sup>A certification company. <http://africertlimited.co.ke/The%20company.php>.

Junior High School (JHS), so the children are sent to either Asankragua (10km away) or Kwabeng (5km) to attend JHS.

Established in 2008, the farmers' group registered as a cooperative (KKFCS) in 2010, and opened an account in the name of the cooperative with an amount of GhC 8600. The membership of the cooperative society increased from 26 people in the 2010-11 production year to 38 people in the 2011-12 production year, and now it has increased to about 51. Leaders were elected to coordinate the affairs of the cooperative.

Takyikrom (TK) has an estimated community population of about 500, some 60 percent of whom are male. Around half of the TK community is from the Wassa ethnic group, 30 percent Northerners and 20 Ashanti. TK has a school established by a local Seventh Day Adventist Church, with three classrooms and a staff of one trained teacher and two community teachers. Just as in the case of KK, children are usually sent to school in other villages or towns. Unlike KKFCS, TKFS has not yet registered as a cooperative. It has a membership of 45.

All the farmers interviewed from the two communities were smallholder cocoa farmers who also cultivated other crops, such as cassava, plantain and maize, for domestic consumption and on a lesser level, for sale. They were thus primarily market farmers, operating as small enterprises, which they combined with some subsistence farming for family needs. Few women owned farms; most were owned by the men, with their wives supporting them in farming tasks. About 40% of farmers in KKFCS and 35% from TKFS were involved in cocoa certification.

There was also an apex body set up by the farmers from 25 groups from different communities that work with Agro-Eco in Wassa Amenfi District to enhance their bargaining power and solve any conflict among members. The apex committee was relatively new at the time of the fieldwork, charged with coordinating the efforts of the executive committees of member groups. Since the committee had just started working, no meaningful data on its performance could be gathered. However the legal registration had been achieved.

KKFC and TKFS were part of a project known as the Mars Partnership for African Cocoa Communities of Tomorrow (iMPACT) project, which aimed to show that an integrated approach including agriculture, environment, education and health could lead to changes in the income and welfare of rural communities and districts. Their main goals for joining

certification were to increase income, access financial support in terms of inputs and gain support from other farmers.

### Meso- and Macro-level Context

The six partners of the iMPACT project which were involved in pre-certification activities were RA, the ICI, International Foundation for Education and Self-help (IFESH)<sup>33</sup>, Sustainable Tree Crop Programme (STCP),<sup>34</sup> Africare, and GIZ.<sup>35</sup>

The STCP ran farmer field schools for the farmers to set a good foundation of good agricultural practices stimulate farmers' interest and prepare them for certification. Each farmers' group selected two literate farmers for training and a written test before being confirmed as qualified to play the roles as facilitators. While Africare was responsible for health issues including education on HIV-AIDS, GIZ provided training on how to run a business. The ICI engaged Participatory Development Associate (PDA)<sup>36</sup> to coordinate CL issues for the project. In order to ensure frequent interactions with the communities, PDA partnered with CODESULT, a local NGO to educate the community on CL issues. Similarly, RA also did not work directly on the project but through AE-LBI, which later served as a group administrator, facilitating the process of certification for groups and thereby promoting the SAN standards. The iMPACT project was essentially promoting general sustainable agricultural practices such as good agricultural practices (GAP), good social practices (GSP) and good environmental practices (GEP) until 2010, when AE-LBI realised the farmers were complying with the SAN standards and decided with them to set up an internal management system (IMS) and introduced the group to certification.

After certification of these farmers in 2010, they were obliged to sell their beans through a Licensed Buying Company (LBC),<sup>37</sup> using its traceable system and ability to secure

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<sup>33</sup> IFESH: Helps improve the lives of people in sub-Saharan Africa by addressing the problems of poverty and illiteracy. <https://www.linkedin.com/company/international-foundation-for-education-and-self-help>.

<sup>34</sup> STCP: IITA initiative that started in 2000 that trains farmers using the farmer field school concept. [www.iita.org/web/stcp/home](http://www.iita.org/web/stcp/home).

<sup>35</sup> GIZ: German development cooperation implementing development programmes in Ghana [www.giz.de](http://www.giz.de).

<sup>36</sup> PDA: provides consultants and skilled staff to work with communities and organisations involved in health, CL, education and poverty reduction. <http://www.pdaghana.com>

<sup>37</sup> LBCs: operate at the farm-gate by purchasing cocoa beans from farmers and interface between farmers and COCOBOD.

purchasers for RA-certified beans. Armajaro Limited<sup>38</sup> was selected for this. Agro Eco provided the technical support for certification, while AfriCert did the external audit, with Armajaro buying the certified beans. The COCOBOD officials at the district level provided extension support and played a supervisory role. The farmers have benefitted from input schemes from CalliGhana (CG),<sup>39</sup> an input dealer and Opportunity International (OI) a micro-finance (savings & loans) organisation based in Ghana.<sup>40</sup>

Thus, there are multiple organisations involved in the certification process (see Box 4.1). This reflects the comprehensive multiple interventions concerning business, social, economic, environmental and health issues from which the selected communities benefited. It also means that the farmers have to deal with multiple stakeholders and processes.

#### *4.4.3. Certification Standards and Internal Management System*

TKFS and KKFC opted for RA standards set by SAN, an independent coalition of non-profit conservation organisations that promotes the social and environmental sustainability of agricultural activities by developing standards. Coordinating policy development and review, the SAN secretariat is based in San José, Costa Rica. Farms or group administrators that comply with SAN's standards and policies and are then certified can apply for use of the Rainforest Alliance certification logo for products grown on certified farms. Compliance is evaluated by audits conducted by SAN's authorised certification bodies and auditors, an annual assessment of a farm's conformity to the contents of SAN's sustainable agriculture standards (SAS) and associated criteria (Table 4.1).

The objective of the standard is to encourage farms to analyse and mitigate environmental and social risks caused by agricultural activities through a process that motivates continuous improvement. The standard is based on the themes of environmental soundness, social equity and economic viability.<sup>41</sup>

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<sup>38</sup>Armajaro: A licensed buying company in Ghana, now belongs to ECOM, a global trading & processing company. [www.armajaro.com](http://www.armajaro.com), [www.ecomtrading.com](http://www.ecomtrading.com)

<sup>39</sup>[www.callighana.com](http://www.callighana.com)

<sup>40</sup>[www.opportunityghana.com](http://www.opportunityghana.com)

<sup>41</sup><http://san.ag/web/>

#### **Box 4.1. National Level Processes and Actor Roles**

Any organisation that wants to deal with certified cocoa has to get approval from the Ghana Cocoa Board (COCOBOD), which is the regulator for the sector. This is important because apart from the main purpose of regulating, it has cost and administrative implications. Firstly, all certified cocoa is supposed to be separated from conventional cocoa. There are therefore separate warehouses for 'special cocoa' (certified, traceable and organic). COCOBOD ensures that for whoever wants to deal in special cocoa, whether a Licensed Buying Company (LBC) or NGO, there is a proof of agreement between the organisation and an external buyer to guarantee a ready market for the product, which indicates the demand/buyer-driven nature of TPC certification in Ghana. Based on this, a memorandum of understanding (MOU) is signed by the organisation (LBC/NGO) and COCOBOD or the Cocoa Marketing Company (CMC) to enable the transaction to be effected. The CMC is an affiliate of COCOBOD that deals with the international marketing of cocoa. Based on the MOU, the CMC will make arrangements for warehouse space and deal with the buying directly when the cocoa is being purchased and evacuated. Since only LBCs can purchase cocoa beans directly from the farmers, it is an obligation for any farmers' group or an NGO to work with LBC for farm-gate purchases and evacuation to the national (Tema or Takoradi) port. Once the cocoa beans are delivered to the port, depending on the agreement with the buyer, the CMC takes over and deals with the buyer directly. After the beans have been delivered, the buyer is required to pay a pre-agreed premium to the farmers through the original negotiator: which might be a farmers' cooperative; NGO or LBC. In the case of the study areas, it was Armajaro (LBC) that negotiated with the buyer and therefore the premium was paid to Armajaro first, who in turn paid the farmers' cooperative depending on the number of bags of cocoa sold certified. COCOBOD has nothing to do with the premium payment.

The other national-level stakeholders are not involved with marketing but in negotiating with global actors for resource mobilisation and development of interventions to be implemented at the local level, such as through iMPACT; they also negotiate and engage national actors to build political consensus. The national level actors also serve as liaison between national actors and local/community actors, as well as providing technical and financial support; therefore, the national actors are involved at all levels – macro, meso and micro. For example, RA officials embarked on consultations in 2005 and 2013 to develop broad national indicators consistent with national laws, which did not involve the macro-level actors alone but also regional and district (meso-) and to some extent also micro-level actors. The micro-level actors for these consultations were selected farmers' representatives, who normally listened rather than articulated their views (largely because the medium of communication was English, rather than the representatives' local language). The process involved several meetings that offered the opportunity for RA to engage national actors to build political consensus for the implementation of SAN standards. In the case study, the national stakeholder brokered partnership deal at the global and national levels and implement them at the micro-level providing technical support and playing supervisory roles.



The standards employ a scoring system, with farms required to comply with all the (14) critical criteria making up the (10) principles, to a minimum compliance of 50% and maximum of 80% of the general criteria within these for certification. The farmers in this study had all been externally audited at least four times, while the farmers' groups' administrator for the IMS/certificate holder, in this case Agro-Eco, was also externally audited to ensure that the IMS system was running as documented. Armajaro, as buyer, had also been audited for verification of its traceability process.

**Table 4.1.** SAN Principles and Criteria

Principles	Summary of Principles	Critical Criteria	No. of General Criteria
<b>Social and Environmental Management System</b>	The purpose of this principle is to set criteria for encouraging and supporting continues best management practices.	1.1 The farm must have a system for avoiding the mixing of certified products with non-certified products in its facilities, including harvesting, handling, processing and packaging of products, as well as transportation. All transactions involving certified products must be recorded. Products leaving the farm must be duly identified and accompanied with the relevant documentation indicating a certified farm as origin.	10
<b>Ecosystem Conservation</b>	This principle establishes policies and procedures for protecting natural ecosystems such as carbon capture, crop pollination, pest control, biodiversity and soil and water conservation on certified farms.	2.1 All existing natural ecosystems, both aquatic and terrestrial, must be identified, protected and restored 2.2 From the date of application for certification onwards, the farm must not destroy any natural ecosystem. No high value ecosystems must have been destroyed by or due to purposeful farm management activities.	7
<b>Wild Life Protection</b>	The purpose of this principle is to set criteria for protection of wildlife on certified farms. The standard requires that natural areas that contain food for wild animals or habitats for reproduction and raising offspring be protected.	3.1 Hunting, capturing, extracting and trafficking wild animals must be prohibited on the farm. Cultural or ethnic groups are allowed to hunt or collect fauna in a controlled manner and in areas designated for those purposes under the following conditions but not species in danger; should be within existing local laws; protect ecological processes or functions important for agricultural and local ecosystem sustainability; should not be for commercial purposes	5
<b>Water Conservation</b>	This principle sets forth the procedures for conserving water and avoiding waste on Certified farms. Measures to prevent contamination of surface and underground water.	4.1 The farm must not discharge or deposit industrial or domestic wastewater into natural water bodies 4.2 The farm must not deposit into natural water bodies any organic or inorganic solids, such as domestic or industrial waste, rejected products, construction debris or rubble, soil and stones from excavations, rubbish from cleaning land, or other materials.	7
<b>Fair Treatment and Good Working Conditions for Workers.</b>	This principle establishes procedures for fair treatment and good working conditions for workers on the certified farm.	5.1 The farm must not discriminate in its labour and hiring policies and procedures along the lines of race, colour, gender, age, religion, social class, political tendencies, nationality, union membership, sexual orientation, civil status or any other motive as indicated by applicable laws, ILO Conventions 100 and 111, and this standard. The farm must offer equal pay, training and promotion opportunities and benefits to all workers for the same type of work. 5.2 Workers must receive pay in legal remuneration greater than or equal to the	15

Principles	Summary of Principles	Critical Criteria	No. of General Criteria
		<p>regional average or the legally established minimum wage, whichever is greater, according to their specific job.</p> <p>5.3 It is prohibited to directly or indirectly employ full- or part-time workers under the age of 15. In countries where the ILO Conventions have been ratified, the farm must adhere to Convention 138, Recommendation 146 (minimum age). Farms contracting minors between the ages of 15 and 17 must keep a record of the following information for each minor:</p> <p>First and last name; date of birth; first and last name of parents or legal guardian; place of origin and permanent residence; type of work carried out on the farm; number of hours assigned and worked; salary received; written authorization for employment signed by parents or legal guardian;</p> <p>5.4 Any type of forced labour is prohibited including working under the regimen of imprisonment, in agreement with International Labor Organization (ILO) Conventions 29 and 105 and national labor laws. The farm does not withhold any part or all of workers' salaries, benefits or any rights acquired or stipulated by law, or any of the workers' documents, in order to force them to work or stay on the farm, or as a disciplinary action.</p>	
<b>Occupational Health and Safety</b>	This principle establishes protection for all workers and ensures that all tools, infrastructure, machinery and equipment used on the farms are in good and safe condition.	6.1 All workers that come into contact with agrochemicals, including those who clean or wash clothes or equipment that has been exposed to agrochemicals, must use personal protection equipment. The farm must provide this equipment in good condition, and must provide incentives to workers to use the equipment. The equipment must reduce contact with the agrochemicals and the possibility of acute or chronic poisoning, and must comply with the strictest of the following requirements: a) the requirements indicated on the products' Material Safety Data Sheet, b) any applicable laws; or c) the equipment indicated	19
<b>Community Relations</b>	The Community Relations principle provides the guidance and procedures for ensuring positive relationship with communities around the farms.	7.1 The farm management must implement policies and procedures for identifying and considering the interests of local populations and community interest groups regarding farm activities or changes that could have an impact on their health, employment or local natural resources. The farm must document and make available for public view all complaints and comments it receives related to its activities and its replies to them.	5

Principles	Summary of Principles	Critical Criteria	No. of General Criteria
<b>Integrated Crop Management</b>	This principle establishes procedures for elimination of chemical products known internationally, regionally and nationally for their negative impacts on human health and natural resources.	8.1. Only chemicals that are legalized in the domestic country or in the US must be used	6
<b>Soil Management and Conservation</b>	This principle sets the parameters for soil management and conservation. Certified farms carry out programmes and activities to reduce the loss of nutrients and the negative impacts on water bodies.	9.1 New production areas must only be located on land with the climatic, soil and topographic conditions suitable for intensity level of the agricultural production planned. The establishment of new production areas must be based on land use capacity studies that demonstrate long-term production capacity. The cutting of natural forest cover or burning to prepare new production areas is not permitted.	4
<b>Integrated Waste Management</b>	This principle defines the guidelines and procedures for managing waste through recycling and reuses programs.	No Critical Criteria applied.	6

Source: SAN website<sup>42</sup>

#### 4.4.4. Managing Internal Management Systems

Certification can be performed for a single farm or a group of farmers considered as one operator for the certification process – in the case of the latter, the cost is shared among the group rather than a single farm having to bear it alone, which is expensive. The cost makes the single-farm option inaccessible to smallholders in Ghana, who have opted for group certification. Group certification can be achieved in two ways: either the farmer organisation is the owner of the certificate and therefore organises certification activities independently, or an external body or the exporter holds the certificate and organises the farmers for certification purposes. In this study, the second option had been chosen, with an LBC, NGOs and certification bodies pre-financing certification. The pre-financing involves training of the farmers in good agricultural practices, setting up and managing IMS and organising auditing, both internal and external; it also provides input on credit as well as offering extension services. Funds expended on the certification process are deducted at source from the premium given to farmers.

<sup>42</sup>[http://www.san.ag/biblioteca/docs/SAN-G-20-2\\_Agriculture\\_Standard\\_Guide.pdf](http://www.san.ag/biblioteca/docs/SAN-G-20-2_Agriculture_Standard_Guide.pdf)

In order to reduce the cost of independent auditing, groups are expected to set up an IMS. This implies that the TPC auditors only have to inspect the well-functioning of the system and perform a few spot-check on farms, with the farmers in charge of their IMS as a long-term goal. The underlying principles of an IMS are to aid certification to reduce costs through coordinated documentation as well as implementing and maintaining a high-quality assurance system for voluntary standards. It also permits farmers to access premium markets. As the administrator of the IMS in the case studied, AE-LBI trying to build farmer organisations to take control of the IMS:

At the moment AE-LBI acts as the group Administrator and ensures that the processes required for certification are followed. To ensure the sustainability of the project the farmers are being organised into cooperatives to act as group Administrator. The capacities of the farmers are being built so that they can take over the management of IMS. It does not appear that the farmers will have the capacity to manage the IMS and pass external audits all by themselves in the short- or medium-terms. External support will be necessary for the next 3-5 years. This is due to the level of education of the farmers, which is low. (Group administrator)

Internal auditing is conducted by a certification group's internal auditors once a year prior to external auditing in order to ensure that the group is well prepared to avoid non-conformity. The IMS process requires documentation of all internal processes that the organisation has undertaken to prepare the farmers for certification and to interpret the standards into the local language. A sample of farms is physically audited to confirm the processes and activities contained in the IMS. The IMS documentation should also include all the local versions of the global standards.

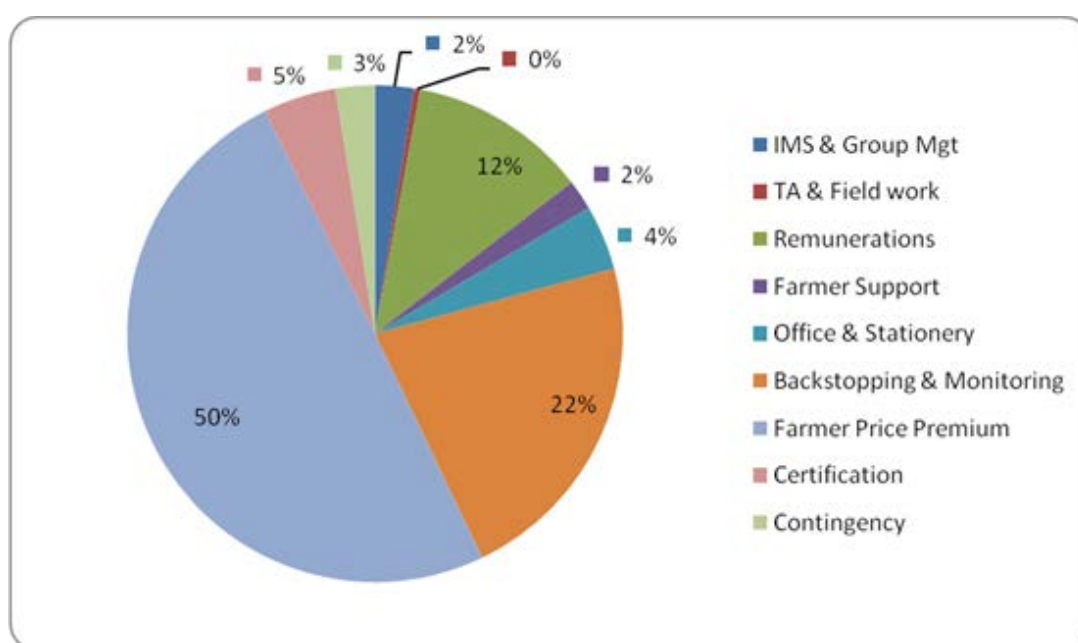
## **4.5. Empirical Findings/Results**

### *4.5.1. Premium and its Distribution*

Certified commodities normally generate the additional price paid by consumers to encourage ethical practices. However, premiums are paid on the amount of certified cocoa sold and not the quantity of certified beans produced. According to the cooperatives, only 60-70% of their beans are sold certified to attract premium due to lack of external market and or small quantity of bean during the light crop season. This shows the demand-driven nature of

certification process. It is important that certified farmers are linked to international buyers of certified cocoa.

From 2008 to 2010, the groups studied had full support from donor-funding, so operational costs were not borne by farmers. Gradually, donor funding reduced, to about 10% of the total operational costs as of 2011, so the remaining 90% had to be catered for from farmers' premium. The operational costs came from capacity building, staff remuneration, compliance cost, certification cost (audits) and group development. At the time of the study operational costs took 50% of the premium, as shown in Figure 4.2. The executives form part of the decision-making body for the group. For example, they help in the formulation of budgets for the project.



**Figure 4.2.** Distribution of cocoa premium, 2014

**Source:** AE-LBI (2014)

As depicted in Table 4.2, farmers received a premium sum of GhC7, GhC 8, 10 and 15 per bag of cocoa beans (64kg) for 2010-11, 2011-12, 12-13 and 2014-2015, respectively.

**Table 4.2.** Distribution of 50% of Premium per Bag (64kg) Paid to Farmers

2010/11	2011/12	2012/13	2014/15
GhC 7	GhC8	GhC10	GhC15

#### *4.5.2. Interpretations and Implementation of Standards: Challenges of Implementation of Standards and How Farmers Dealt with them*

In general, the farmers stated that the standards were numerous. Some were alien to local conditions and practices, and needed to be translated in accordance with local practices, laws, culture and knowledge to aid compliance; others, however, were relatively easy to understand and readily complied with, in which circumstance, they were applied directly without any modification or change. The first response to the implementation challenge, therefore, is that of implementing the criteria that were easily or already implemented.

For instance, Criterion 2.1, which sought to protect aquatic ecosystems from erosion and agrochemical drift and runoff was mentioned by farmers as easy and therefore implemented directly without any problem. This was because protecting water bodies conforms to old tradition, as expressed in an idiom –*Yede nsuo na ekyekyere kuro*– which literary means that communities were established near rivers. In view of this, trees around rivers were not cut and anyone who acted contrary to the regulation was sanctioned. Sometimes, it was believed that the river was a god and had to be protected from sunshine. Therefore, protecting water bodies by leaving vegetation around rivers was not a problem. Another standard that certified farmers implemented directly was using protective clothes while spraying. In fact, farmers shared experiences where there was an immediate effect on their health when they had not done this. One farmer said that he had sneezed continuously for two days (*‘Me whansee ye saa enna mmieniu’*), and another that he had been sick for about four days (*‘Meyare beye nnanan’*). These examples show that the standards that were already being practiced and experienced by the farmers were implemented without any difficulty.

Secondly, to aid understanding and easy implementation, farmers redefine or reframe some of the standards, especially those considered difficult to implement or unfamiliar, not included in local practices and/or requiring local adaptation. Where implementation was a problem, they make by-laws. Issues related to Criteria 4.1 and 4.2, which prohibit depositing organic and inorganic materials into river bodies, exemplified this. The local problems associated with these standards were the practices of bathing in rivers and washing with soap and dumping waste into rivers. Since the rivers were not only used by the certified members, other community members had to be brought on board. Led by the Chief, however, the KK community had made a by-law to ban bathing in the river in the community. The cooperative

was able to convince the Chief and the community to do this by discussing the effects and consequences of drinking soapy water.

Another way the certified farmers dealt with a difficult standard of documentation was to select a literate farmer who was charged with the responsibility of recording information on activities. For example, in respect of the use of agrochemicals for spraying farms, the recorder was expected to record the type of chemical used to spray, when the spraying was done, who did the spraying, how many bottles were used and how the container was disposed of. Documentation was one of the key standards that farmers found very difficult to implement because of low educational background. Apart from illiteracy, some farmers said they find it difficult to record their expenditures due to fatigue from the farm. Others said the mere sight of the expenses they are making puts them off from recording since they think they may be making losses. Again the issue of CL was difficult for the farmers to combat, so Town Development Committees were set up by the community with the aid of PDA and CODESULT (below, Section 4.5.5). Through this partnership, the farmers were given training in how to monitor children abuse. It was agreed by the community members that all school-going children should be sent to school and that no child should be sent to the farm when school was in session.

Principle 5, which compels farm-owners to provide the caretakers and labourers with social security insurance cover, health insurance and meals was also found to be difficult to meet. The farmers interviewed reported operating different, traditional systems, the caretaker (*nhweso*) and sharecropping (*domayenkye*) systems, which already make arrangements for payments based on farming proceeds (see Section 2.6). These working arrangements treat items such as social security and health insurance as built-in, with the caretakers and labourers responsible for planning for their own social security insurance cover and health insurance (as self-employed, one might say). Indeed, most of the farmers in these communities had acquired their cocoa farms through these systems, so they were clearly not only well founded but also beneficial for the labourers and caretakers.

Another labour condition that the SAN principles touched on was that of the payment of the minimum wage for daily labour, which at the time of data collection was GhC 3.11.<sup>43</sup> The cost of daily labour differs from activity to activity, but is higher than the national minimum wage. For instance, the cost of weeding or clearing was GhC 6.00, planting GhC 5.00 and

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<sup>43</sup> It has since jumped to GhC 6, in 2014, and then again to GhC 7, in 2015.



harvesting and carting GhC 7.00. In addition to the money, food or foodstuff is provided by the farmer. The farmers consider this source of labour as a big strain on their incomes and therefore only use it sparingly when they are in dire need. Certification requires regular weeding of farm (four times a year) in compliance with good agriculture practices. Farmers claimed that planting cocoa seedlings ten meters apart (lining and pegging), the standard method of planting recommended by Cocoa Research Institute of Ghana (CRIG),<sup>44</sup> allows weeds to grow fast and, with the ban on weedicide coupled with reduction of the use of children, labour costs on the farm became too high.

Thirdly, farmers combine local practices and global practices, in which process a new system emerges. For instance, Principle 6 enjoins farmers to undergo training before they can spray their farms. In order to reduce the cost of spraying, therefore, some farmers were selected by the KKFC and TKFS to form spraying gangs and pruning gangs. These voluntary subgroups underwent training given by Agro-Eco to provide spraying or pruning services to all the farmers who needed their services. To sustain these groups, farmers indicated their willingness to pay a token for their services.

A fourth category of response to the principles and criteria was that of farmers refusing or rejecting a standard as inapplicable in their circumstances. For instance, farmers had rejected the part of Principle 10 requiring them to separate organic from inorganic waste. They said that this was not possible as it would be time-consuming and beside, rubbish sites in the communities were not for exclusive use of the certified farmers in the community and it would be difficult to ask the whole community to do the separation as required by the standard. This was thus an area where there was continual non-compliance. It is the hope of farmers that the standards will be reviewed to reflect local practice and conditions.

The above description indicates the role that local perspective plays in the interpretation, redefining and adaptation of global standards, as well as the interplay between technical aspect of innovations and the human experiences, knowledge and lived situation. Overall, the standards were found to be less imposed than contested and therefore negotiated within a socio-cultural framework and given practices. The process afforded an opportunity for farmers to better support themselves and thereby increase the human and social capitals available to them. Discussions also highlighted the expanded network and the global-local interactions made available to the farmers through the certification. The involvement of the

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<sup>44</sup>A subsidiary of COCOBOD, the main cocoa research station for Ghana.

communities in the process also shows the potential of the intervention to mobilise social capital to improve negative human behaviour needed for community development.

#### *4.5.3. Perception about Certification by Certified and Non-Certified Farmers*

In addition to the benefits of the implementation processes of certification as mentioned above, the certified farmers group in both TKFS and KKFC said that they were involved in farmer field-schools where they were taught good agricultural practices and integrated farm-management strategies. Among the lessons taught were good farm management and the use of recommended chemicals for spraying and identification of cocoa diseases and pests. The benefits as enumerated by certified farmers and also observed by the fieldwork were two-fold, quantifiable and non-quantifiable. The quantifiable benefits included high yield, increased income, access to peer support (*nnoboa*, see below) and access to credit and training in good agricultural practices, as well as low application of agrochemicals due to farmers' adoption of better farm-management practices and therefore reduced agrochemical costs.

Other benefits were early detection of cocoa diseases and pests and improved business consciousness. Some farmers learnt to prepare a farm budget and were able to improve their productivity because of the new way of pruning. The premium paid to farmers was a major source of motivation to farmers to continue operating with certification. Also, because the cooperative is certified, information to improve production is easy to come by as periodic training was organized for them. The non-quantifiable benefits included awareness of the effects of agrochemicals on their health and improvement in school attendance. The farmers believed that with this knowledge, their standard of living would improve in the long run. The disadvantages of certification mentioned by farmers were numerous. These included the nature of the standards, inapplicability of some standards, amount of effort needed to implement them and the increased labour cost (see below).

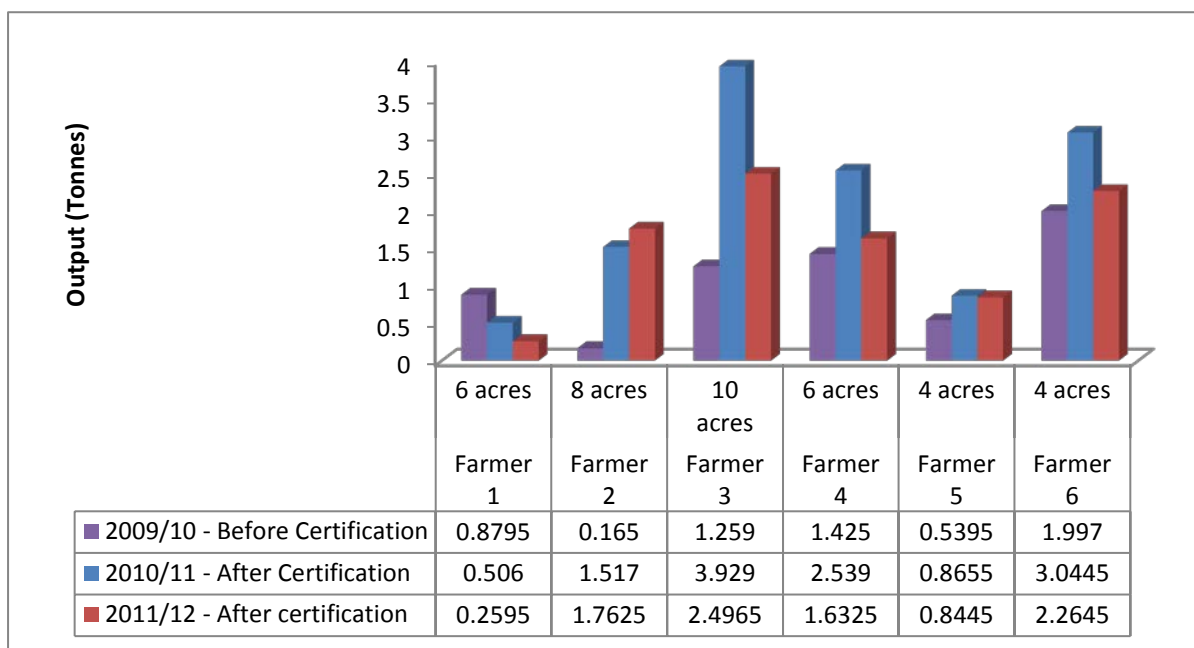
The 60 non-certified farmers interviewed claimed that they have heard of certification as a system whereby a premium was paid to farmers when they followed certain standards in the production of cocoa. They admitted the *difference in yield* between their farms and that of the certified farmers. They remarked that the certified farms looked more flourishing than the uncertified ones. As they put it, 'Their farms have become beautiful and healthy' (*Aye fefeefe na aya ahoden*). One of the uncertified farmers said that he had been learning from a close relative who was a certified farmer. When asked why they had not joined the cooperative, the uncertified farmers mentioned they doubted the outcome of the intervention and did not want

to waste their time and money on registration as *the certification process required a lot of time*. Nevertheless, they all promised to join the group very soon.

#### *4.5.4. Implications of Cocoa Certification on Productivity, Farmers' Incomes*

KPMG (2012) noted that the certification requirements help farmers to access key productivity enablers such as optimized use of fertiliser, pesticides, training and good agricultural practices. The study mentioned some advantages of certification such as low-cost agricultural inputs (including fertilisers, seedlings or drying materials improve farming conditions), training to build farming and management skills, fostering good agricultural practices and organisational development and access to credit (which allows farmers to pre-finance business activities). The data produced here supports this assessment. Most of the certified farmers interviewed agreed that certification has led to increases in their income. They claimed that their income had increased after applying the certification standards as result of increased yields. Figure 4.3 shows the yields of six certified farmers before and after certification.

As Figure 4.3 depicts, apart from Farmer 1, all the other farmers had an increase in yield from the 2009-10 to 2010-11 production years. Farmer 1 attributed his decrease in yield over the period to his inability to practice what he had been taught. Farmer 2, who had eight acres, benefited the most from the innovation of certification, recording a ten-fold production increase over the period. Farmers 3 and 4 were able to increase their yield from 1.26 tonnes to 3.93 tonnes and 1.43 tonnes to 2.53 tonnes, by almost 68 and 44 %, respectively. Farmers 5 and 6, who cultivated four acres, increased their yields by around a third. There was therefore a clear indication that farmers' joining in the certification system improved their yields.



**Figure 4.3.** Yields of Six Certified Farmers before and after Certification

Though size of land matters in production, it was not the farmer with the largest land-size who benefitted most, indicating that factors other than land-size determine the yield increases of the farmers. Socially, the farmer with the consistent highest productivity in the community was accorded the respect and not the one with the largest land. The one with the highest yield was seen as the richest in the community and as such was given the recognition as a chief farmer. The chief farmer sometimes provide financial support in the form of soft loans (without interest) to colleague farmers. This, in addition to the recognition and respect given to him by farmers, could influence decisions made by the group.

The certified farmers interviewed also admitted that there had been a reduction in the amount of agro-chemicals they applied as other farm management practices, such as line-and-peg planting and regular pruning of cocoa trees, allowed more sun into the plantation and had reduced pest infestation. For instance, one farmer stated that he was previously applying five bags of fertiliser per acre of land but had now reduced this to three bags. This had drastically reduced expenditure on agro-chemicals. However, the cost of hiring the services of a labourer to augment the farmers' labour, since certification abhors the involvement of children, was higher. This increased the cost of production and thus decreased farmers' revenue.

In the 2011-12 production year, there was a general decline. The major reason given by the farmers was the abysmal rainfall and delayed acquisition of agrochemicals and fertilisers.

According to the farmers, they deposited funds for fertilisers with Armajaro Ltd, but these were delayed. Armajaro held COCOBOD responsible for the delay, as this was the sole importer and distributor of approved fertilisers and agrochemicals. According to COCOBOD, the delay was the result of administrative problems. Thus, it is observed that although certification practices may tend to lead to increases in yield, other factors, such as availability of extension services and farmers' commitments to adhere to certification practices, good weather conditions, and timely availability of inputs are very important.

Concluding this section, the study revealed that cocoa farmers have both positive and negative perceptions of the implications of certification. They perceive cocoa certification as an innovation in the industry, which they adopted mainly because of the premium, access to inputs and perceived increase in yield. While some of the non-certified farmers were waiting for more evidence of gains before adopting the certification processes, others were learning from their certified colleagues on an informal basis. The issues of extra labour and meeting stringent standards was raised strongly.

#### *4.5.5. Implications of Cocoa Certification on CL*

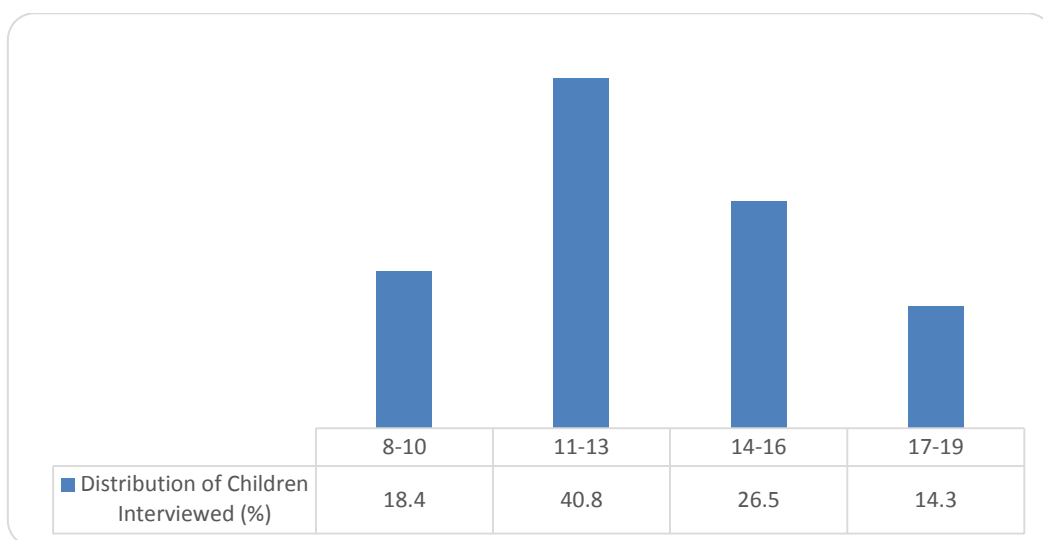
As mentioned, as part of the package for the community given by iMPACT, PDA and CODESULT under the *Yen Daakye* (Our Future) projects sensitised the TK and KK communities and supported them to form CL committees. These committees, composed of volunteers, were given training for child protection, specifically to undertake sensitisation and mediation and to identify abused children for monitoring. However, after CODESULT completed its work, the CCPCs established became inactive. According to the members, they had already done a lot of sensitisation, and all the members of the communities knew what CL meant. Committee members also mentioned insults from recalcitrant farmers, the voluntary nature of their work and lack of referral system available as the challenges they faced:

Sometimes the reality of the situation would compel the children to skip school for the farm. As a result of poverty, there are instance where parents cannot provide money for children to buy food at school during break time. Inability to pay the teachers fee is also a real challenge facing parents. In such circumstances, the parents endorse the child's absence from school and any attempt to get the child to school by a third party would attract insults from the parents. The payment of teachers' fee has been instituted by the community to engage additional teachers because the teachers are not sufficient for all classes. Children are sometimes driven out of school to collect that money. When the parents don't have money to settle the fee they ask the children to accompany them to the farm until the time they can afford.(TDC member).

The certified farmers acknowledged that the certification program had given them insight into WFCL and contact with the agencies through the various training on sensitisation and occupational safety and health using HAF. Generally, the children were no more involved in hazardous work. The farmers mentioned that before certification, their wards under 18 used to be present when agro-chemicals were being sprayed on the cocoa, and skipping school was very common, which were no longer the case. Again, the certified farmers claimed that they had reduced the involvement of their wards in hazardous activities and assigned them with duties based on their age, ability or strength to do a particular job:

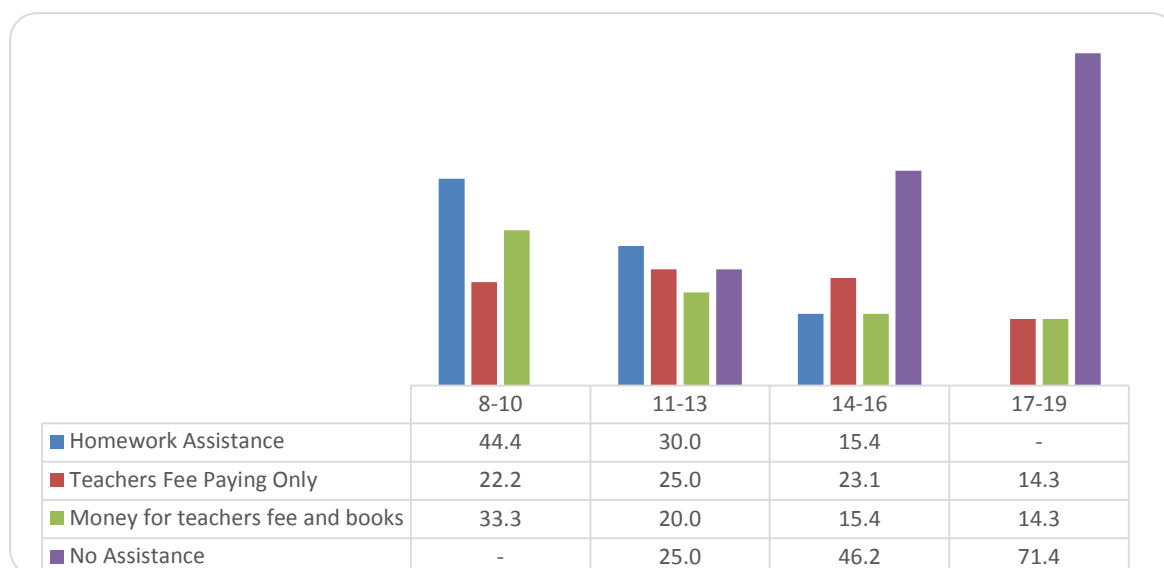
Since we have accepted to be part of certification, we have also accepted to allow our children to participate fully in school. Come to think of it, it is about the future of our children.( remarked by a Certified farmer, FGD)

Unlike the non-certified farmers, all the certified farmers with the exception of one disabled farmer (disabled in the right hand), were concentrating more on giving their wards' better education rather than involving them on the farm. The disabled farmer's children and grandchildren were skipping school most of the time to assist their parents on farm. Those in JHS according to them are encouraged to attend school every day in spite of distance they have to travel (5km to Kwamang) and (10km to Asangrakua, the District capital).



**Figure 4.4.** Distribution of certified cocoa farmers' children interviewed

The responses to the question of what support certified farmers give to the children are illustrated in Figure 4.5. Though the Government capitation grant takes care of the school fees of the children, it can be seen that, for all the age categories, there is some assistance given in the areas of home assignments, teacher's fee payments and books and stationary purchases.



**Figure 4.5.** Distribution (%) of family support for children's education

With regard to assisting the wards to do their homework, it was observed that whilst about 45 per cent in the 8-10 age range and 30 per cent of the children in the 11-13 age range received assistance. Children in the 17-18 age range, on the other hand, received no support from any source. This category of children does the homework assignments on their own. The reason given for this was that these children were in higher classes and the younger ones obviously needed more assistance. This was linked to the perception in the rural environment that at the age of 17 or 18 years, they are adults and therefore need minimal support. The main challenge of this category of children was the long distance to access JHS.

Most of the children were rather interested in helping their parents in the farming activities instead of commoditizing their labour for financial gain. Children in the 15-16 years group were keen to work on the farm, but they can do so if it does not conflict with their education:

I am ready to aid my parents in every activity no matter what, so far as it does not interrupt my educational activities because without it my school materials cannot be purchased. (Child at TK).<sup>45</sup>

Most of the children of certified farmers appeared to willingly offer their help to parents. Once the parents were prepared to support their education, the children were also willing to support them in (non-hazardous) cocoa farming activities.

Teachers at the primary school stated that certification had enhanced children's attendance at school: 'With the inception of the certification programme, most of the children are always in class and this has led to an improvement in individual performance' (interview with teacher). When the attendance register of primary school in KK was checked to confirm the statement, it was found that out of 70 days in the first term, the attendance of the children of certified farmers ranged between 61 and 70; in the second term, their attendance ranged from 54 to 64 out of 64 days. The children attributed their absence from school for the few days to sickness or and financial matters – in other words, not to farming activities. They also testified that their workloads on the farm had decreased. One of the certified farmers' children in TK, for example, said, 'my father has stopped involving me in some jobs because my parents learnt that the government has banned children from doing those jobs'.

Inadequate teacher supply was revealed as an issue. Although the communities were solving it in their own way, the associated payment problems suggested it could be better solved by government (at the national level). This issue, raised herein discussions and reported in interviews, highlights the fact that dealing with CL in rural communities such as KK and TK goes beyond sensitisation and education: a comprehensive package is implied, one that includes an adequate supply of teachers, among other things.

#### *4.5.6. Cocoa Certification, Management of Groups and Mutual Help among Farmers*

The executives of KKFC and TKFS had been trained and coached by Agro-Eco to coordinate the activities of the groups in matters such as meetings, internal auditing, third party auditing, preparation of the annual budget of the group and sharing of the premium. The annual budget and premium division (Fig. 4.3) were made by the executive members on behalf of the group members. The budget was not approved by the group members but the group administrator,

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<sup>45</sup>In this case, the boy gave his services to the farm at weekends.



while the group members were not consulted regarding the decision on how the premium was used.

### Mobilising Adult Labour

As already mentioned, spraying gangs had been formed by the groups to support the group members in spraying activities, and there had also been a pruning gang formed to prune the farms of members. The latter in particular was of tremendous help to the farmers, especially the aged, as it was one of the most difficult activities in cocoa farming.

Another system that the groups practised was the traditional '*nnoboa*' (pooled labour) system, in which fellow farmers help each other to work on the farm to reduce labour costs on a rotational, reciprocal basis. Sub-groups had been formed for this purpose. The *nnoboa* sub-groups had helped some farmers to expand their farms while others had taken that opportunity to manage their farms in terms of weeding, breaking pods, carting wet beans for drying and cutting mistletoes.

The *nnoboa* system according to the farmers helped in maintaining and increasing the quality of cocoa beans. For instance, since the groups helped in breaking of the pods and carrying the fermented cocoa to the drying mat at the village, the mandated six-day fermenting period was strictly adhered to, which increased the quality of the beans. The strict enforcement of a GhC5 fine for absenteeism from *nnoboa* activities had helped the system to be very active, and the farmers were reaping its benefits including reduction of labour costs. With TKFS, the *nnoboa* system in operation was not as vibrant as at KK. The scattered location of farms and non-enforcement of sanctions were two of the issues mentioned by the TKFS in this respect. It was also observed that the KKFC was more cohesive than TKFS because it is a closed community while TKFS members have scattered cottages.

The farmers in the two cooperatives improved access to extension services and information to improve production as the periodic training organised for them by the partners mentioned earlier as part of the iMPACT project. Most of the farmers mentioned that the certification process had improved the management of the cooperatives and also strengthened *nnoboa* system leading to a stronger cocoa labour force. With a strong labour force in place, of course, it is to be anticipated that the need for CL will diminish.

#### 4.5.7. TPVCC and Multi-functional Agriculture

As mentioned, the RA standards are skewed towards achieving environmental sustainability (Table 4.1.). Among the requirements are water conservation, ecosystem maintenance and support to ecological restoration. Also as indicated above, farmers and their communities had banned the use of soap for bathing in the rivers; appropriate disposal of agrochemicals containers, a ban on dumping refuse in rivers and leaving vegetation around rivers are other ways that non-commodity outcomes were being generated through TPVCC. Appropriate disposal of agrochemical containers, for instance, prevented water contamination caused by the chemicals. These were ways to improve biodiversity, conserve resources and protect the environment. Additional non-commodity outcomes were protecting children from abuse, improving access to labour through *nnoboa* as well as the services of the spraying and pruning gangs that supported farmers.

### 4.6 Discussion

As explained in the methodology (Section 4.3), the MLPA distinguishes three analytical and heuristic levels to understand system innovations as interactive processes of change at different levels, the micro, meso and macro, recognising their overlap.

At the micro-level the results are here discussed with regard to innovations made, ongoing and required as related to the following areas of concern:

- Farmers ways of achieving compliance of global standards within the local socio-cultural practices
- Implications of certification in reducing hazardous labour and improving children's social situations; the potential to mobilise adult labour for cocoa farming
- The effects of certification on productivity and livelihoods
- TPVCC as a conduit to promote multi-functional agriculture.

At the meso- and to some extent the micro-levels, the discussion focuses on

- The changing effects on organisational capacity and potential to institutionalise standards.

At the macro-level, the discussion focuses on

- Drivers of certification and the multi-stakeholder approach as part of the innovation systems.

Overlapping at different levels, the discussion focuses on

- How roles overlap and the effects of this on certification outcomes.

#### *4.6.1. Micro-level*

At the micro-level, this study has shown that TPVCC supported the formation of cooperative groups such as those in KKFC and TKFS which came to existence at the onset of certification. Although the farmers had been together for a while, it was the farmer field-school organised by the STCP that stimulated the groups for action.

Overall, the standards were generic, numerous and demanding, with some aspects alien to the norms and cultural practices as well as to the type of enterprise. The social security requirements, for instance were not very relevant to the smallholder farming system as operated in Ghana's cocoa sector. Therefore, depending on farmers' knowledge, understanding and experiences based on the socio-cultural practices, some SAN standards were implemented directly or else reframed, while those that were too difficult to implement were rejected. Global or international standards, therefore, cannot be imposed: they are analysed, contested and adapted by farmers to suit local practices.

This finding has been confirmed by Malets (2011); Guerra (2003, 50) strengthens the idea by stating that the 'differences between organisations depend on the degree to which rules are incorporated into their daily actions, values, culture, beliefs, symbols, assumptions which constitute an essential part of common identity'. Also, in addition, the institutional dimension of organisations, they must have internal consistency over time. As North (2004: 359-360) asserts, 'the beliefs that individual groups and societies hold which determine choices are the consequence of learning through time'. In the same way, certification as a new system, may take time to consolidate and internalised the new practices through social learning and continuous improvement to build farmers organisational capacities.

#### Certification and WFCL

The certified farmers in the study areas were operating with RA/SAN principles and criteria. They were therefore obliged to adhere to the ILO Convention 182, which deals with WFCL,

and HAF. The HAF was firstly useful in that it distinguishes between what a child can and cannot do in cocoa production processes in ways that were clear and seemed reasonable. Therefore, implementation was not problematic. Secondly, it served as an awareness-raising tool for community-level stakeholders, including children.

The study found that even though CL elimination was not one of the main motivating factors, most of the certified farmers complied with the standards and compliance with certification standards by cooperative members had helped the children to concentrate on their education. The reduction of children's involvement in hazardous work was also a reflection of micro-level adoption of the standards within broader socio-economic challenges, such as inadequate teachers. The parents, for their part, stated they were providing for the educational needs of the children. The improvement that there seemed to be in the children's school attendance and access to basic school materials are subtle ways in which cocoa certification can reduce the WFCL. Thus, certification of cocoa can help eradicate CL and ensure that cocoa production is done ethically and in socially sustainable ways (Blowfield, 2004; Clark & Gow 2011; Salaam-Blyther et al., 2005). Two further observations are made here:

1. Communities had on-going peer monitoring mechanisms for child abuses to protect group certificate, which were good enough and need to be encouraged;
2. The farmers' groups could shield colleagues who acted contrary to the rules and needed to be sanctioned or their situation more constructively dealt with. One example was the case of the disabled farmer mentioned earlier: in this case, the fear of incurring the displeasure of the neighbours coupled with the possibility of losing the farmer to another group as well as scaring potential members caused the group to waive the sanction. This development indicated that certification as an innovation is testing some of the cultural behaviours and attitudes and it is still within the 'protected spaces' (Geels, 2005).

Four issues are therefore raised in respect of sustainability at the micro-level:

1. Farmers have to be empowered to a level where they can peer monitor and apply sanctions to a group member who flouts the rules;
2. Auditing of farms alone and the use of IMS are not enough to verify that farmers are complying with the standards but should be extended to include children and key informants;
3. Unannounced auditing is essential;

4. Identified child abuse cases should be linked with social service providers (referral systems) for remedy and monitoring; these will transit the niche (micro-) level and stabilise sociotechnical level where rule-sets are built up, granting stability (Geels, 2005) to change attitudes for the adoption of sustainable methods of production; TPC linked with the existing system of child labour monitoring could be a good measure in dealing with CL in cocoa communities.

### Mobilising Adult Labour

In Chapter 3 it was mentioned that *nnoboa* appears to be an under-utilised form of available social capital in cocoa farming communities. Mobilising adult labour comes with challenges. The challenges identified here included trust, lack of proper management of *nnoboa* groups, lack of resources to maintain the groups and a lack of technical support from appropriate institutions. To ensure the effectiveness of this method of exchange/pooled labour, these challenges need to be addressed, and most of these challenges were found to be being tackled by the study groups through certification structures. The *nnoboa* system was being used by the certified members' more than non-certified farmers.

The increased labour demands as a result of certification practices have made farmers seek support from colleagues to reduce labour costs including those incurred by losing CL. The *nnoboa* system is used in many cocoa-farming activities, including the carting of wet beans for drying, for example, which was previously performed predominantly by children. Indeed, this explains the abilities of the communities (groups, farmers) to absorb the reduction of the workload of children. The reduction of labour costs due to the utilisation of *nnoboa* (a form of social capital) has implications on other capitals available to the farmers, especially human and financial.

In addition to *nnoboa*, the study also found out that individuals would volunteer and offer their services to other colleagues. One example was where literate farmers volunteered to keep records on chemicals used by fellow group members and another the newly emerging support groups, such as spraying gangs. All these are good signs that show that the social and human capitals available to farmers have expanded under the certification framework. This is contrary to Bury's (2004) research in the mining sector of Peru, which indicated increased human capital but a decline of social capital accessible to the locals. However, it was observed that the *nnoboa* system can be limited by distance between farms and the inability of leadership to sanction members who break rules.

## Livelihood and Occupational Health and Safety

Some of the new interventions in the cocoa sector such as the CCLMS (Chapter 3) were able to tackle only social challenges, such as CL, and not the economic and environmental challenges facing the farmers. However, these challenges are being tackled under certification. Both quantifiable and non-quantifiable benefits were enumerated by farmers and also observed by the researchers, as listed (Section 4.4.4).

Most of the certified farmers indicated that certification has led to increase in their income through increased yield. Certification has opened a window of opportunity for farmers to overcome the many challenges facing them in terms of inadequate extension services, training and access to inputs. However, little is being done to diversify the sources of livelihood, other than planting more economically beneficial trees that will also serve environmental purposes. It has been observed that apart from adopting good agricultural practices, other factors such as readily available extension services, farmers' commitment, good weather conditions and timely availability of input were also contributing factors to increasing yield and income of cocoa farmers. Other studies seem to support the position of the farmers on livelihood improvement (KPMG, 2012).

This study focused on group certification in which LBC, NGOs and certification bodies pre-finance certification, which involved training in good agricultural practices, managing IMS and auditing, along with inputs to farmer credit bases and other extension services. It was established that the higher the transaction cost of certification, the less premium the farmer receives. Another finding here was that distribution of premium was group- rather than (individual) farmer-focused, and that ordinary members did not contribute to decision-making on the budget or how the premium should be expended. This may account for a situation whereby 50% of the premium is used for certification expenses, which appeared high.

Thirdly, after going through all the standards, the farmers were being paid a premium of only GhC 15 per bag in 2013-14. The question arises as to whether the premium paid to farmers actually offset the cost of certification. This can be compared to the daily-rate labour cost of GhC 8 in 2014. Generally, farmers' inability to document all expenditure on cocoa production activities makes cost-benefit analysis difficult. Therefore, they become excited about what is actually rather a meagre premium, without any proper analysis, that is, as to whether they are actually making profit or not. This also confirms the literature suggesting that the cocoa-farmer power level is high (Cocoa Barometer, 2015; Hainmueller et al, 2011).

Nevertheless, farmers see the premium as one of the main incentives enticing them to enter and continue with the certification process, mainly for the simple fact that it gives them extra income, especially when it is paid during the offseason. In view of the high cost of certification, mutual support systems such as *nnoboa*, spraying and pruning gangs were very essential in the certification process and provided farmers access to social, human and financial capitals which hitherto were not there. This does not mean, however, that the benefits of this system for them are maximised. This, therefore, implies potential for future development.

#### *4.6.2. Meso-and Macro-levels: Drivers of Certification and the Multi-Stakeholder Approach*

The TPC system is being driven by business actors such as chocolate companies and LBCs and supported by government organisations, NGOs and other bodies for farmers, who are the pivot around which certification processes and practices revolve. These stakeholders have distinctive roles aimed at meeting particular challenges that farmers face. Among the roles of meso-level actors revealed here were supporting and furthering the establishment of cooperatives and organisational building, bean purchase, extension services, entrepreneurial skills, input credit scheme and capacity-building for sustainable agricultural practices. The synergy created by the collaboration is generally healthy and co-creative of knowledge and experiences.

In terms of organisation, certification required that there were structures in place to deal with IMSs and cooperative group-level administration, for which the farmers do not generally have the capacity to put in place due to low educational level. The role of NGOs was significant in this. Considering the level of competency required by SAN principles and standards, the fear was that the farmers may not have the capacity to manage themselves. This would have implications for the cost of maintaining the organisations involved in certification, which would affect the benefits to farmers adversely. It was seen that financial and operational cost of certification was high and that it required a high technical capacity to manage the IMS. In view of this, farmers will need continuous external support for the short to medium term. Consequently, external actors (traders, NGO, LBCs, certification bodies, and farmer organisations) continue to wield power that is supposed to reside with the farmers' groups, thereby influencing the perceptions, decisions and actions of the farmers. When it comes to the sharing of the premium, for example, the cooperative executives and IMS administrator

take decisions on behalf of the cooperatives. A more democratic approach could be adopted to enable members of the members to be part of the decision-making.

The meso-level actors also serve as bridges and interface, however, between farmers and traders or external drivers (chocolate industries), as well as government agencies at the national level. They pre-finance and coordinate certification process, receiving and holding the certificate and managing internal management system and serve also to fill the gap between the state and the community for the provision of extension services, a capacity-building that might have been expected from state agencies.

Obviously there are multiple stakeholders involved in certification processes. As indicated by many authors, such approaches help to overcome complex social and economic problems (Leeuwis & Pyburn, 2002; Van de Kerkhof & Wieczorek, 2005). Given the multi-stakeholder nature of the current system, pooling resources (financial, social, skills, etc.) requires a dynamism and commitment to yield better outcomes for farmers. This is consolidating and incubating the niche practices at micro-level, where few farmers are involved. As indicated by Hermans et al (2012) and Van der Ploeg (2000), niche innovations are carried out and developed by 'small groups of pioneers' and 'dedicated outsiders' that are marginal to the existing networks of the socio-technical regime. This has cost implications, however, which result in a lower cash premium available to farmers.

Macro-level actors according to this study were the consumers, NGOs, media and government (from the North) and chocolate companies pressured to adopt TPC to tackle the socio-economic needs of farmers while addressing environmental concerns. According to Geels (2009), a socio-technical regime of innovations maybe influenced either by the 'technological landscape' at the macro- or by 'niches' at the micro-level. In response to the pressure, multinational cocoa industries are now sourcing for certified or ethical cocoa, with a 130% increase in demand from 2010-11 according to Cocoa Barometer (2012). This has made certification a demand- or buyer-driven system. The actors at this level were involved in broader issues of marketing and development, such as sale of cocoa, negotiating premiums, development of national level indicators and securing political buy-in and legitimacy of the operations necessary for the macro-level to function.

The macro-level decision to implement certification has created avenues for interaction and deliberation between global and local actors. Their roles comprised coordination of initial collaboration of actors and the creation of objectives and strategies to achieve objectives,



and, by so doing, opening opportunities for mobilising and building social and economic networks. This provided macro-level actors, especially chocolate companies the chance to improve their reputations, manage risk and create further demand for cocoa. Out of these processes and relationships has emerged a social innovation system that is gradually changing the cocoa production systems and practices.

#### TPVCC as a Multi-dimensional Innovation: Overlapping Roles of Actors

This study has shown that certification has expanded the socio-economic network available to farmers and is co-creating knowledge at micro-, meso- and macro-levels that has given the stakeholders a greater and deeper understanding of the sector. The process has created multi-level networks and alliances between industry, NGOs, the private and public sectors and farmers. These relationships have created an avenue to mobilise the financial resources, expertise and technical skills of stakeholders, and through this, some of the problems facing the sector are being solved.

The above discussions showing the processes involved in the implementation of TPVCC imply that innovation is not composed of technical aspects alone: socio-cultural, economic and organisational aspects are also crucial. The organisational dimension of TPVCC, especially the cooperative groups as well as the social-cultural relationships, have enabled or limited the implementation of and compliance with the technical aspects of the standards. The implementation of the technical aspect – the standards and related practices – such as application of agrochemicals, integrated pest management, protection of children and water bodies – were embedded in the cooperative group to which the farmers belonged. Again, the technical and organisational aspects were aided by the socio-cultural practices and relationships. Thus they were provided space, conditions and place limitations for each other (Leeuwis, & Van der Ban, 2004). It is within this process of interdependence that new forms of sub-groups, like the spraying gangs, have emerged and old ones (*nnoboa*) have been strengthened. This study thus confirms the literature arguing that technical innovations are not possible without attention to social and organisational dimensions. They are mutually interdependent and are best implemented concurrently; indeed, as asserted by Wiskerke and Van der Ploeg (2003), the building blocks of innovation may be hidden and are discovered as the process unfolds.

## TPVCC and Multi-functional Agriculture

The three pillars of sustainability as pursued by TPVCC, namely the economic, environmental and social aspects are expected to produce both cocoa and non-commodity goods. Just as in multi-functional agriculture, TPVCC promotes non-commodity outputs, such as farmland biodiversity, water quality and availability and soil functionality (Bohumil & Martinát, 2013; Lankoski, 2003; Potter & Burney, 2002; Randall, 2002; Vatn, 2002). The commonalities and common outcomes that the two concepts are expected to generate suggest that TPVCC promotes multi-functional agriculture.

### **4.7. Conclusion**

The study reported in this chapter set out to understand certification as an innovation and its potential in reorganising cocoa production systems in Ghana. It adopted the multi-level perspective analysis to illustrate certification as an innovation system. It sought to understand the implications of cocoa certification in reducing WFCL, mobilising adult labour and the effects on productivity and livelihoods at a micro-level. Institutional and organisational dynamics of certification have also been investigated at the meso- and macro-levels. The study concludes with the following.

#### *4.7.1. Farmers Perceived Double-sided Effects of Cocoa Certifications*

The TPVCC system studied here provides insights into cocoa production processes and how the various actors in the chain are reacting or responding to consumer agitations and its effect on cocoa production landscape in Ghana. First of all, the study has shown that the standards are generic, numerous, demanding and in most cases alien not only to the norms and cultural practices but also to the type of enterprise, smallholder farming. Social security, for instance, is not feasible in the smallholder farming system as operated in Ghana. The acceptability, modification or rejection of a standard depends on the farmers' understanding of that particular standard and how it relates to the socio-cultural practices. Global or international standards cannot be imposed but are analysed, contested and adapted by farmers according to local practices. The process reveals the challenges of implementation of ethical sourcing, where farmers and for that matter the socio-cultural practices are essential not only in terms of monitoring performance but also defining what is good performance. To achieve a more holistic compliance, there is a need for a deeper understanding of the socio- cultural and

economic context in which cocoa is cultivated to design more specific standards that will take into account the input of all key actors, especially farmers.

#### *4.7.2 Child Labour and Mobilization of Adult Labour*

TPVCC has the potential to deal with CL in cocoa communities. Even though CL elimination was not one of the main motivating factors of certification, as most of the certified farmers comply with the standards, involvement of children in hazardous cocoa farming activities is reduced, thereby offering the children the opportunity to concentrate on their education. Children's ability to fully attend school and get access to basic school materials are some of the potentials of cocoa certification to reduce child labour to a minimum. Certification also has helped in mobilising adult labour through the *nnoboa* system to replace the services of school children. The *nnoboa* system has been used extensively by the certified members, more than non-certified farmers and especially at KK, as a strategy to reduce high labour costs, incurred in part due to the reduction in CL. The use of the *nnoboa* system, however, is hampered by the distance between farms and non-enforcement of agreed rules governing its management. Better education for children and effective functioning of the *nnoboa* system are some of the changing effects of certification. However there are challenges inherent in the production system that need to be tackled if eradication of WFCL is to be achieved.

Firstly, standards should not elaborate only on what should not be done but also what *should* be done. With regards to what activities are permissible for children, Ghana's HAF has clearly outlined these, which has made its implementation more user-friendly. Secondly, alternative labour sources should also be identified. In the case of Ghana, the *nnoboa* system is helping a lot to offset some of the costs of labour required for farm maintenance. Thirdly, peer-monitoring and group-sanctioning mechanisms are important and should be promoted to achieve the continuous improvement goals needed for ethical sourcing mechanisms. Fourthly, child labour elimination is best enhanced when the broader socio-economic conditions are favourable and linked to referral systems. A situation in which community members have to recruit and remunerate teachers is an undeserving stress on the low income farmers and implies the need for attention.

#### *4.7.3. Cocoa Productivity and Enhanced Livelihood Systems*

Concerning the implications of TPVCC on the livelihood goals of the farmers, the study has shown that through the adoption of GAP under certification, the farmers are reaping benefits

such as yield increase, health consciousness and mutual social support. Other benefits enjoyed include pest and crop management, as well as reduction in the use of agrochemicals. It was observed that increased yield and premium are the main motivating factors for farmers' involvement in certification. Therefore, the main motivation for farmers to participate in certification initiatives is economic rather than social or environmental, even though these are relevant also.

Regardless of these positives, the net benefit of certification is unclear due to the difficulty in conducting proper a cost-benefit analysis in the absence of proper documentation of farmer-level costs and other factors. Firstly, productivity does not depend on the adherence of good agricultural practices alone but also timely access to inputs such as agrochemicals, readily available extension services, farmers' commitment and good weather conditions. Secondly, the distribution of premiums is group- rather than (individual) farmer-focused. The executives determine how the premium should be disbursed without seeking the views of the other members of the group. This may account for a situation where 50% of premium is used for certification expenses. Thirdly, the premium paid to farmers does not commensurate the efforts they make in their bid to adhere to the standards, especially the cost of inputs.

#### *4.7.4. Reorganizing Organisational and Institutional Relationships*

The study has shown that a healthy synergy has been created by the global-local collaboration thus co-creating knowledge and positive experiences. The multi-stakeholder nature of the current system, pooling resources (financial, social, skills) requires dynamism and commitment to yield better outcomes for farmers. As indicated by Hermans et al. (2012) and Van de Ploeg (2000), niche innovations are carried out and developed by 'small groups of pioneers' and 'dedicated outsiders' that are marginal to the existing networks of the socio-technical regime.

The study has further shown that certification has expanded the social and economic networks available to stakeholders, especially the farmers, and it is changing or reorganizing organisational and institutional relationships, both vertically and horizontally and at micro-, meso- and macro-levels. At the micro-level, for instance, not only were the farmer cooperatives and structures such as *nnoboa* being strengthened, but also new groups such as spraying gangs were emerging. At the meso-level, organisations and experts that serve as links between farmer-level and macro-level have been given the opportunity to utilise and deepen their expertise at the farmer level and at the same time appropriate resources from the

macro-level. The process has also provided macro-level actors, especially international actors, the opportunity to improve their reputations, manage risk and create demand for cocoa.

From these processes and relationships a social innovation system has emerged that is gradually changing the cocoa production system in Ghana. The process has shown three dimensions of innovation process – technical, social and organisational – which were interconnected and therefore interdependent. The implementation of the technical aspect – the standards and related practices, such as application of agrochemicals, integrated pest management, protection of children and water bodies – was embedded in the cooperative group to which the farmers belonged. Again the technical aspect and organisational aspects were aided by the socio-cultural practices and relationships. Thus, they were interconnected and provided space, conditions and place limitations for one another (Leeuwis & Van der Ban, 2004).

The levels of competency required by standard bodies are beyond the capacity of individual farmers as well as the farmers' groups who therefore require external support in the medium to long term. Certification as a new system may take some time to consolidate in terms of the internalisation of new practices; fostering social learning and building farmers' capacities to enable them to handle institutional and management issues are involved in the certification process to improve its benefits.

#### *4.7.5. TPVCC and Multi-functional Agriculture*

Built on economic, social and environmental sustainability, TPVCC as implemented in Ghana conforms to most of the characteristics and outcomes of multi-functional agriculture, which recognises the intercession role of agriculture's different roles and functions producing not only commodities, but also non-commodity outputs. Outputs such as environmental services, landscape amenities, protection of children from agricultural hazards and promoting labour conditions; protecting river bodies and ecosystems; reducing the use of agrochemicals, the promotion of integrated farm management; and enhancing the livelihoods of farmers as provided by TPVCC are the very things that multi-functional agriculture also seeks to promote.

Concluding, this study has shown the potential of TPVCC to mobilise financial, human and social capitals to address gaps and dysfunctions and create a win-win situation for all the actors in the value chain. However, sector-wide standards that address sector-specific needs

taking into consideration the views especially of farmers and their socio-cultural context will enhance compliance. This study has also shown the potential of TPVCC to address CL and livelihood issues, but these will yield better results when they are implemented in enhanced socio-economic conditions. Lastly, the anticipated and intended commonalities and common outcomes suggest that TPVCC can promote multi-functional agriculture.

## CHAPTER 5

### **Diversification of Livelihood**

### **by Cocoa Farmers in Ghana**

## 5.1. Background

Since farmers are the target for the two main interventions considered – the CCLM (Chapter 3), and TPVCC (Chapter 4), it is imperative to study *farmers' initiatives* to find out how they are implementing interventions to diversify their livelihoods in their own way, using exogenous and or endogenous resources. Such a perspective is surely only more pressing given that the livelihoods of cocoa farmers in Ghana are gradually worsening (Oxfam & Solidaridad, 2012), due to low yields along with low and volatile prices and poor investment.

Indeed, cocoa productivity in Ghana is well below international averages. According to MoFA (2011), an average of 0.4 Mt/ha is observed, relative to the potential yield of 1.0 Mt/ha, leaving 60 per cent shortfall. According to the 2012 Cocoa Barometer report, while the income of cocoa farmers used to be attractive in the first decades of the second half of the twentieth century, recent statistics portray them as poor, living on \$1 a day, which is below the global poverty rate as set by the UN Millennium Development Goals.<sup>46</sup> Thus the need for farmers to diversify their income sources and enhance their livelihoods.

With the use of both qualitative and quantitative research methodology, this chapter explores ways in which farmers are diversifying from cocoa production, ascertaining the extent of this and its effect on income. It also investigates the determinates of diversification, seeking an idea about the constraints of extra-cocoa income generation, and it presents insights into existing land tenure arrangements, the resource requirements for diversification and the effect of this on CL.

## 5.2. Theoretical Framework

### 5.2.1. Concepts of Livelihood Diversification

It is a common practice for farming households to base their livelihoods on multiple activities. In rural Africa, according to Barret et al. (2001), relatively few rural households derive all their income from one source. This combination of different activities aimed at improving ones' livelihood is generally termed *livelihood diversification*, where 'a livelihood encompasses the capabilities, assets, which include both material and social resources and activities required as a means of living' (Scoones. 1998: 5). Diversification may be an attempt

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<sup>46</sup>Goal 1a (a figure of \$1.25 per day is used). See <http://www.un.org/millenniumgoals/poverty.shtml>

by households to ensure a sustainable stream of incomes or manage risky ‘portfolios’. Ellis (2000) defines livelihood diversification as the process whereby households construct their livelihood from a range of activities in their struggle to survive and in order to improve their standards of living. This definition acknowledges that household diversification may be a planned or unplanned strategy, based on a set of underlying motives.

Barret et al. (2001), however, argue that livelihood diversification may result from the involuntary activities of farmers resulting from ‘pull’ or ‘push’ factors. Thus, diversification may be a response to push factors such as risk reduction, time-varying returns (to labour or land), diminishing resources (e.g. land fragmentation), market failures (e.g. lack of extension or credit), or frictions (e.g. mobility or entry into high-return niches). Von Brown (1989) also argues that livelihood diversification is due to ex ante risk minimisation and ex post coping strategies. On the whole, these authors agree that the motive behind diversification is more critical than the voluntary or involuntary nature of the diversification process.

Since the agricultural sector alone cannot be relied upon as the sole activity for improving the livelihoods of cocoa farming households, one phenomenon that is gaining prominence in rural development literature in Ghana is the promotion and support for *non-farm diversification opportunities* (Lay &Schuler, 2008; Stifel, 2010). Livelihood diversification therefore forms an essential part of farmers’ activities in many rural settings.

The concept of livelihood diversification as used by this thesis is that of the process whereby households construct their livelihoods from a range of activities – farm or non-farm or both – in their struggle to survive and cope with or recover from stress and shocks, and in order to improve their standards of living (Chambers &Conway, 1991; Ellis, 2000; Knudson, 2007). The *diversification relationship between farm and non-farm activities*, therefore is important to this study. It is very important to understand the context within which cocoa farming operates in Ghana, the resources and assets status of cocoa farmers that are fundamental to the options open to them, the strategies they adopt to attain livelihoods, the outcomes they aspire to and the vulnerability context under which they operate (Ellis, 2000).

ILO (2012) identified two possible outcomes of alternative livelihoods strategy: i) the gradual replacement of the traditional livelihoods, and ii) part of the income generated by the alternative livelihood being reinvested in the traditional livelihood, such that a co-existence of both approaches can be maintained. This co-existence provides a buffer against climatic variations and economic shocks and stress (Chambers &Conway, 1991), thus conferring



stability and sustainability to rural livelihoods. Farming households require social, physical, financial, natural and human capital or resources to diversify their livelihoods (Carney, 1998; Janvry & Sadoulet, 2000), but the extent to which farmers diversify depends on their asset mix or capital available and capabilities of the farming household (Asmah, 2011; Barret et al., 2002). Even where households have comparable endowments, production techniques, preferences, limitations and incentives attached to particular livelihood activities may be different (Asmah, 2011; Iiyama, 2006).

These aspects are essential here, as is the extent to which the capitals available to farmers may be categorised into *endogenous or exogenous resources*. It is vital to determine whether the decision to diversify is influenced by the resources available to farmers within their own environment (endogenous) or outside their environment (exogenous), as well as how that influences the choice to remain in agriculture or non-farm activities and how that, in turn, impacts on the division of labour, including children's labour. This chapter analyses how the *livelihood level of the household influences the sharing of resources and workloads between children and adults*.

### 5.2.2. Assets and Livelihood Strategies

Decisions about a livelihood strategy depend on *household assets* (Chambers & Conway, 1992; Scoones, 1998). Assets are generally capital resources held by the households or stocks of productive factors that produce a stream of cash or in-kind returns; they have a significant influence at the moment of choosing a livelihood strategy (Barret & Reardon, 2001). Based on the asset base, households decide on the intensity of involvement in each livelihood activity. Livelihood activities require one or a combination of assets with the purpose of obtaining outcomes (Barret & Reardon, 2000). According to Winters et al. (2002) and Reardon and Barret (2000), the asset base of a household has a great influence on livelihoods, as well as the extent of diversification. Sen (1981) also stresses that assets serve as a bridge between livelihood choices and vulnerability.

However, farmers often face a multitude of *resource constraints* (Reardon et al., 1994; Haggblade et al. (2007), due to which they engage in multiple sets of heterogeneous activities to meet their various needs. Thus, the choice to pursue a livelihood activity or combination of activities is dependent on the resources or assets available to the household and associated utilities. The combination of livelihood activities based on associated utilities is often referred

to as livelihood strategies. Thus, *livelihood strategy represents the composition of activities engaged in by members of the households resulting in outcomes that provide well-being.*

Several *assets* have received attention as main factors in the livelihood-decision process. According to Barret and Reardon (2001), assets can be broadly classified as productive and non-productive. Productive assets include human capital (e.g. skills, time, labour), real property (e.g. land, livestock, water, forestry), financial capital and fixed-capital (farm equipment, etc.). These assets must be allocated to one or more activities in order to generate income. Thus, *productive assets* are used as inputs in production processes, while *non-productive assets* are mainly assets that generate income through either transfers or capital gains and losses when one liquidates the asset. Common examples for farm-household assets include tangible assets, such as tools and clothes, and intangible assets such as social claims and networks.

The Department for International Development (DFID, 1999) classifies household assets into five types of capital: natural, physical, human, financial and social. Although capturing non-productive assets, this classification focuses more on productive assets. *Natural capital* refers mainly to land and water resources, trees and forestry products, wildlife and environmental services used by households to earn a living; *physical capital*, on the other hand, includes market facilities, transport facilities, energy, shelters and health facilities, tools and equipment for production, seeds and fertilisers and technological items; *financial capital* consists of things like incomes, savings, credit, remittances and wages; *human capital*, which is a supportive factor for the other assets, is directly linked to, among others, education, knowledge and skills, the capacity to work and probability of participating in non-farm wage employment; *social capital*, finally, comprises the networks and connections, formal and informal groups, cultural norms, trust and mutual support and other social attributes upon which farmers draw their livelihood (Corral & Reardon, 2001). This chapter classifies the human, social and financial capitals of Ghanaian cocoa farmers into endogenous and exogenous resources for their diversification decisions and analyses how these resources are used in the various diversification activities.

In Ghana, depending on the extent of the development of the family and surrounding conditions, rural farming households may rely on these endogenous or exogenous resources or both. *Endogenous resources* may be accumulated resources by the family such as seeds or stocks of produce from previous year's harvest, labour supply such as *nnoboa*, communal

harvesting, savings and bonuses. It also includes resources bequeathed to them such as farms (cocoa), land, tools and equipment. Households also rely *on exogenous (external) resources* or support from extended families, friends, farmer-based organisations as well as local government institutions to some extent. These exogenous resources may be in the form of cash or in-kind micro-credit support from NGOs and nucleus farmer groups or local government support. The extent to which a farmer may have access to exogenous resources also depends largely on the social capital of the farmer such as networks and trust, and physical capital such as education and knowledge of existing resources as well as his capacity to search for information. This study explores the resources that are commonly used by cocoa farmers in Ghana to diversify their income.

### *5.2.3. Rural Diversification in Ghana*

According to the Ghana Statistical Service (GSS, 2013), Ghana has an estimated 60% rural population. The same report indicated that the average household size is decreasing. It defined a 'household' as a person or a group of persons who live together in the same house or compound, share common catering arrangements as one unit and recognize one person as the head of household. Household members need not be related by blood; non-related persons such as house-helpers may form part of a household. Households may be composed of one or more of the following: a head, spouse or spouses, child or children, parents, siblings, grandchildren, other relatives and non-relatives. It is the basic unit for any meaningful demographic and economic analysis. The report by GSS(2013: 45) stated that the 2010 population census recorded a 'largest household size of 10 persons'. It categorised household size into single, small (2-4 persons), medium (5-) and large (8 or more persons). It further recorded 38-42% of the population as falling within small household category, and 23-31% medium household. According to the same report, the proportion of small households had been increasing consistently to a peak of 42% in 2010. A study done by Danso-Abbeam et al.(2014: 9) in Sefwi Wiawso Municipality (one of the study areas of this study), the household size ranged between 1 and 5 with a 'mean household size of 6 per household'. These analyses show that the cocoa household cannot be said to be a large one, which means that the era in which cocoa farmers had a large household of many wives and children is over.

GSS (2008) estimates suggest that approximately 46% of households operate non-farm enterprises. Knudsen (2007) broadly supports this for cocoa farming households in Ghana, while Agyeman et al. (2014) add a dynamic perspective with the observation that among

farming households in Western Region, the highest cocoa-producing region in Ghana, this is increasing. Lay and Schuler (2008) point out that changes in income portfolios of asset-poor households are likely to push them into off-farm activities to meet subsistence needs. A case study of four rural communities in three ecological zones of Ghana by Oduro and Osei-Akoto (2007) further emphasised this observation.

Rural farming households engage in non-agricultural activities such as agro-processing (cassava, oil-palm and others) and petty trading (fish, corn dough, cosmetics and cloths), along with selling their (semi-)skilled labour, such as hairdressing, carpentry, tailoring, masonry, sewing, teaching or nursing. In some cases, farming becomes just another economic activity in the micro- and small entrepreneurial activities mix (Obiri-Opareh & Essegbey, 2006). Indeed, some analysts see the growing trend of non-farm activities as a natural progression from a predominantly agrarian to a diversified economy (Bryceson, 2002; Ellis & Freeman, 2004), although, of course, not all households and groups enjoy equal access to income from non-farm activities (e.g. Barret et al., 2001; Canagarajah et al., 2001; Reardon, 1997). Several studies have found positive relationships between household welfare and involvement in non-farm activities (Barrett et al., 2001; Janvry & Sadoulet 2001; Smith et al., 2001; Stifel, 2010); these studies have found that rural households with the potential to diversify their income sources into non-farm activities are relatively better off than those that depend on farm activities alone or take up non-farm activities as their less important sources.

### **5.3. Problem Statement**

Studies around the world indicate that farming households seldom specialize in one income-earning activity, but tend to spread their risks through a number of income-generating activities (Barret et al., 2005; Carney, 2002; Ellis, 2000, 2004; Knudsen, 2007; MMYE, 2008; Lay & Schuler, 2007; Scoones, 1998; Stifel, 2010). People from low-income countries in Africa generally and across the socioeconomic groups endeavour to diversify their productive activities, sources of income, and households' resources to sustain their wellbeing (Barrett et al., 2001b; Ellis, 2000, 1998; Hart, 1994; Stakhanov 2010; Von Braun & Pandya-Lorch, 1991). As Ellis (1999) and Barret and Reardon (2000) note, diversification can be used to reduce farmers' vulnerability in view of the income-generating problems of cocoa farmers. Even though combining cocoa with food-crop production, however, cocoa farmers in Ghana, tend to rely on cocoa as the main source of livelihood. This specialisation is said to have

emanated from the colonial history, where cocoa marketing was developed to support the growth of the booming chocolate industry in the North; according to Adu Boahene (2003: 159) as cited by (Ludlow, 2012), the Ghanaian economy indeed became an ‘extension of that of the colonizing power’. Nowadays, globalisation trends create the conditions for neo-colonialism – the domination of countries such as Ghana is much more subtle but nevertheless both directly and indirectly affects the lives of impoverished cocoa farmers.

Increasing livelihood diversification raises the question of the future role of cocoa production in livelihood strategies, in the short, medium and long terms. Bryceson (2002a, 2002b) argues that diversification of income is a possible means of de-agrarianisation, but Knudsen (2007) has challenged this as not the case in the cocoa sector. Using Ghana as a case study, he asserted that a ‘diversification of income from farm to non-farm activities bears with it a significant *dynamic relationship* between the two’ (ibid: 20). In this dynamic, the dimension of farmer access to diversification is relevant: unequal access to diversification is grounded in substantial entry or mobility barriers, including those of capital, technical know-how, availability of land, education and age of the farmer (Barret et al., 2001; Chambers & Conway, 1992; Canagarajah et al., 2001; Ellis, 2004; Rigg, 2006).

The factors that affect cocoa farmers’ decisions to diversify in Ghana have received little attention, however, a lack that also applies to how the choice to remain in agriculture or to carry out non-farm activities impact on the division of resources, such as labour, and how these choices impact on CL. Therefore, in order to understand how and to what extent cocoa farmers are diversifying their income and what factors are influencing their diversification decisions, the following questions are raised:

1. How are farmers diversifying their livelihood sources and what is the extent of farmers’ diversification activities (farm & non-farm)?
2. What are the effects of diversification on income of cocoa farmers?
3. What are the factors that affect cocoa farmers’ diversification decisions?
4. What resources do cocoa farmers use in their diversification activities and to what extent do children participate in farm and non-farm activities?

## **5.4 Methodology**

In order to address the research questions, the various income sources of the cocoa farmers were first identified through a total of 184 household interviews conducted in six communities located in three districts in three different Regions (Table 5.1). These were supported by desk review, the FGDs and key informant interviews. To analyse the household interviews, Simpson's Index of Diversity (SID) was used, as explained (1.5.2).

**Table 5.1.** Study Area

Region	District	Community
Western	<u>Sefwi Wiawso</u>	Dwinase and Nkonya
Ashanti	<u>AhafoAno South</u>	Biemso and Fedieya
Eastern	<u>Suhum KraboaCoaltar</u>	Aponoapono and Kokoano

#### 5.4.1. Simpson's Index of Diversity (SID)

SID provides a realistic and efficient means to estimate the extent of diversification of a household. It has been used widely for assessing livelihood diversification (e.g. Agyeman, 2014; Aneani et al., 2011; Saha & Bahal, 2020; Sujithkumar, 2007) and was thus employed here also. As in Aneani et al. (2011), Minot et al. (2006) and Saha and Bahal (2010), the income values from the various sources are used to estimate the index, which measures the extent of diversification of households. SID is empirically estimated as

$$SID = 1 - \sum_{i=1}^n P_i^2 \quad (1)$$

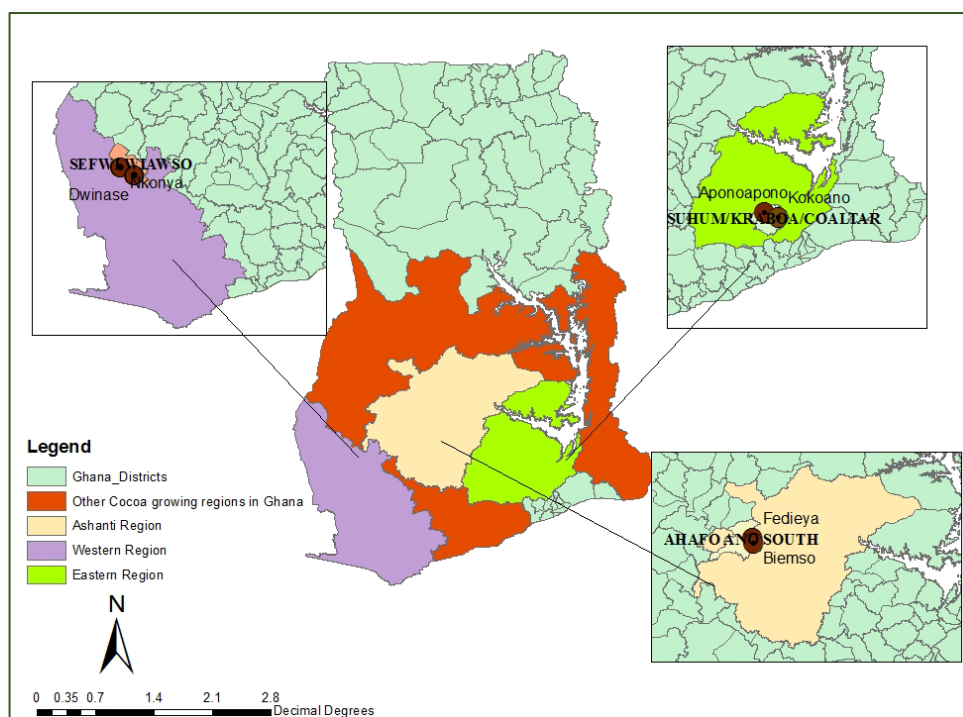
where  $P_i$  is the proportion of income coming from the source  $i$ .

The value of SID always falls between 0 and 1. If there is just one source of income, then  $\sum_{i=1}^n P_i^2 = 1$ , so  $SID = 0$ , indicating little or no diversification. As the individual increases in diversification and the number of sources of income increases, the shares ( $P_i$ ) together with the sum of squared shares decline, so that SID approaches 1. Farmers with SID values closer to 1 mean that the farmers are engaged in more diversification activities than farmers with SID values closer to zero.

#### 5.4.2 Data Collection

In order to select the households, a multi-stage sampling procedure involving purposive sampling and random probability sampling was used. The purposive sampling was used to select regions in Ghana that have (1) highest, (11) average and (111) lowest cocoa production yields, in order to ensure a spread of farmers and avoid any data bias. From the six cocoa growing regions in Ghana, Western (1), Ashanti (11) and Eastern Regions (111) were selected. After the purposive sampling, one district and then two communities within each selected region were randomly sampled, making a total of six communities in three districts. This was followed by a non-zero random probability sampling of respondents, used to ensure that the sample was a fair representation of the cocoa farmer population in the selected communities.

In Western Region, the Sefwi Wiawso Municipal was chosen, from where the two farming communities of Dwinase and Nkonya were picked. A total of 64 farmers were randomly selected and interviewed from the Wiawso Municipal. In the Ashanti and Eastern Regions, the Ahafo-Ano South and Suhum Kraboa Coaltar districts were selected, respectively from which 60 respondents also were interviewed from each district. The selected communities were Biemso and Fedieyain Ashanti and Aponoapono and Kokoanoin Eastern Region (see Figure 5.1).



**Figure 5.1. Map Showing Study Locations**

### *5.3.3. Empirical analysis*

In order to identify and estimate the effect of the factors that affect the diversification behaviour of cocoa farmers in Ghana, a qualitative response model based on expected utility is used to model the factors that affect the diversification behaviour of cocoa farmers. The qualitative model selected for this study is the multinomial logit model. The multinomial model was chosen because it is able to handle dependent variables with more than two categories (Green, 2003). The respondents' choices of diversification activities were classified into four categories, namely, no diversification, farm diversification, non-farm diversification and both farm and non-farm diversification. The classifications were used as a categorical dependent variable ( $D_i$ ) in the multinomial regression model. The choice by cocoa farmers between income sources is explained as one providing a higher utility. Cocoa farmers' decisions placing them into a particular type of category are influenced by a vector of explanatory variables,  $X$ , listed as environmental, socio economic, cultural and institutional factors (Barghouti et al., 2004; Greene 2003).

#### Specification of Model Variables

The dependent variable in the empirical estimation for this study is the choice of diversification of income sources categorized as 0 (no diversification, cocoa production alone), 1 (farm diversification, farming only), 2 (non-farm diversification only) and 3 (both farm and non-farm diversification). For the purposes of this study, the no diversification category is used as the base category as a measure of diversification decision. The explanatory variables were chosen after reviewing the literature (works that discussed the factors that affected farmers' diversification decision), as well as considering the availability of data from cocoa farmers.

The variables thus selected as factors that could influence the farmers' diversification decision are location (with Western Region, the highest producer, as base), age, years of education, marital status, years of cocoa farming, income from cocoa, farmers' household expenditure, extent of use of own labour for cocoa, access to extension services and whether farmers are part of farmer based organisations (FBOs). Table 5.2 (below) summarises the description, measure and expected influence of explanatory variables used. Regarding the expected influence, it is assumed from literature that, for example, respondents with a higher level of education would be more willing to diversify into either farm or non-farm activities and



therefore a positive sign is shown, whereas marital status marital status was not anticipated as being particularly relevant, so both positive and negative signs are shown.

Table 5.2. Multinomial Logit Model: Variables, Measures and Expected Sign

Variable	Measure	Expected Sign
<b>Ashanti Region</b>	1=Yes, 0=Otherwise	+/-
<b>Eastern Region</b>	1=Yes, 0=Otherwise	+/-
<b>Age</b>	Years	-
<b>Years of education</b>	Years	+
<b>Marital status</b>	0=Not Married =Married	+/-
<b>Years of cocoa farming</b>	Years	+/-
<b>Income from cocoa</b>	Ghanaian cedis	+/-
<b>Expenditure</b>	Ghanaian cedis	+/-
<b>Extent of use of own labour for cocoa</b>	%	-
<b>Access to extension</b>	1=Yes, 0=No	+
<b>Part of FBO</b>	1=Yes, 0=No	+/-

## 5.5. Empirical Results

This section presents the empirical results from the interview data collected from cocoa farmers and children.

### 5.5.1. Background Information Respondents

A brief description of the respondents' backgrounds is given for a better understanding of the various factors that influence diversification. The figures given in parentheses here are approximated, with more accurate numbers given below (Table 5.3).

#### Level of Education

Most of the farmers interviewed (65%) had only a basic education and 20% no formal education at all. Very few (less than 2%) had attained a tertiary education. Thus, the cocoa farming activities in these three regions are undertaken by mainly illiterate and semi-illiterate people.

#### Marital Status

The majority of respondents (75%) were married. Approximately 10% were divorcees, while 12% were widow(er)s.

#### Main Occupation

Most of the farmers interviewed (90%) had cocoa farming as their main occupation. Only a very few people (1%) had salaried work as their main occupation, with petty trading and craftsmanship both uncommon, also (3%). However, only about a third (35%) of the respondents relied solely on cocoa as their source of income; the remaining two-thirds (65%) had other sources of income, apart from cocoa. This implies that most of the farmers had diversified. Ashanti Region had the highest percentage of farmers (97%) with cocoa as their primary occupation, followed by Western Region (92%) and Eastern Region (83%). Whilst 40% of the respondents in Western Region had cocoa farming as the only source of income, only 25% and 23% of cocoa farmers in the Ashanti and Eastern Regions, respectively, had cocoa as their only source of income.

#### Head of Household

The majority of respondents (80%) were heads of households.

#### Age of Respondents

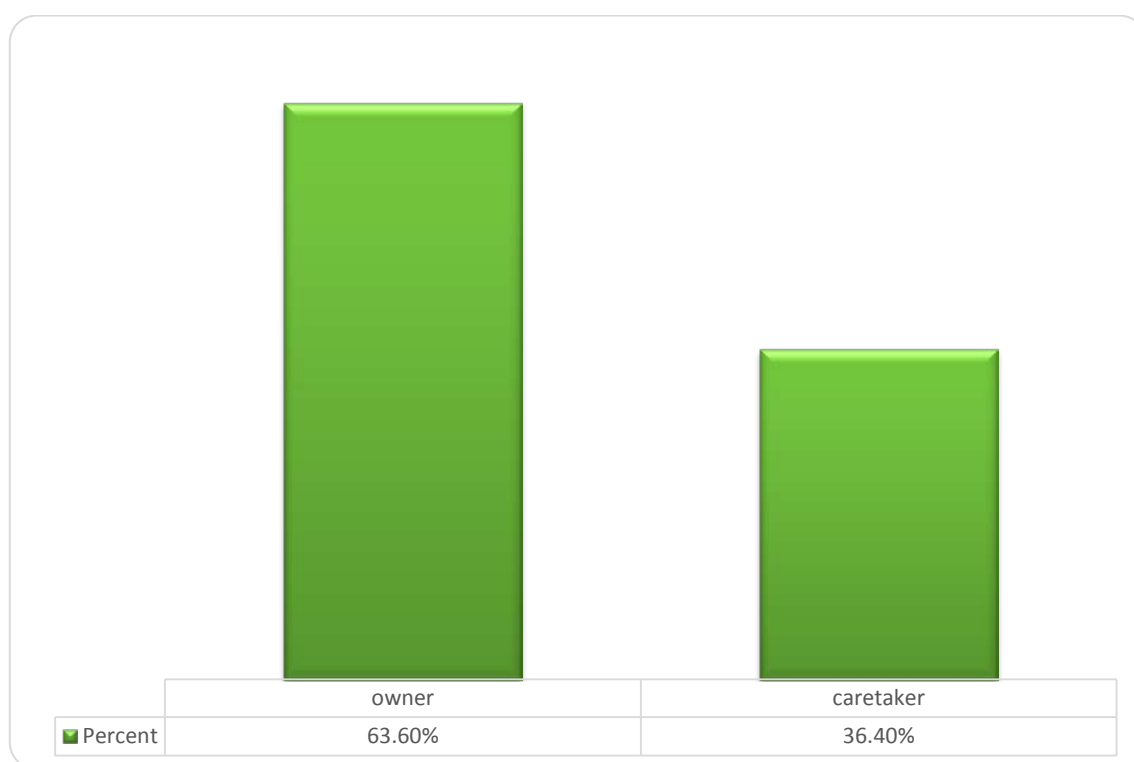
Most of the respondents (70%) were below sixty years and the other 30% were sixty and above. In terms of location, about 58%, 78% and 73% of the respondents were below sixty years in Western, Ashanti and Eastern regions, respectively.

Table 5.3.Respondent Backgrounds

Variables	Region				Overall (184)
		WR(n= 64 )	AR(n=60)	ER (n=60)	
Gender	Male	59.4	48.3	80.0	62.5
	Female	40.6	51.7	20.0	37.5
Level of Education	None	12.5	36.7	11.7	20.1
	Basic	67.2	55.0	71.7	64.7
	Secondary	17.2	6.7	16.7	13.6
	Tertiary	3.1	1.7	--	1.6
Marital Status	Single	3.1	--	3.3	2.2
	Married	76.6	73.3	76.7	75.5
	Divorced	10.9	8.3	11.7	10.3
	Widowed	9.4	18.3	8.3	11.9
Head of Household		81.3	70.0	93.3	81.5
Main Occupation	Cocoa	92.2	96.7	83.3	90.8
	Farming				
	Petty Trading	1.6	1.7	5.0	2.7
	Craftsmanship	1.6	1.7	5.0	2.7
	Salaried	3.1	--	--	1.1
	Worker				
	Other	1.6	--	6.7	2.7
Cocoa only Income Source		40.6	25.0	23.3	34.8
Age of Respondent	Below Sixty Years	78%	58%	73%	70%
	Sixty and Above	22%	42%	27%	30%
Distance to Market (miles)	Minimum	0.43	0.1	0.8	0.1
	Maximum	3.6	4.83	15.6	15.6
	Mean	2.5	1.2	5.6	3.1

### Farming Arrangement of the Respondents

As elaborated in Section 2.6, there are two main farming arrangements or operators in respect of the cultivation and upkeep of the farm. Either the owner cultivates and maintains his/her own farm or the farm is given to a caretaker on sharecropping basis. In most cases the farms are taken care of by the owners, from cultivation through maintenance to harvest. As depicted in Figure 5.2, nearly two-thirds of the farmers fall under this category. When it comes to sharecropping system, two options exist in Ghana: *nhweso* (caretaker) and *domayenkye* (cultivate and share). While *nhweso* covers maintenance and harvesting in already established farms with proceeds shared when harvested and sold, *domayenkye* concerns the establishment and maintenance of new farms and with the entire farm shared when it reaches maturity (2.6).



**Figure 5.2a.** Farming Arrangement Distribution

All the caretakers are in the *nhweso* category, which also means that they operate already established farms. In this system, farm income can either be shared in *abusa* or *abunu* terms. With the *abunu* system, the farm or the proceeds are shared into two equal parts for both the owner and the caretaker. This means also that the cost of production normally born by the caretaker. In the case of *abusa*, the farm or the proceeds are divided into three parts with two parts going to the owner while a third goes to the caretaker. This occurs when the owner

provides assistance to the caretaker in a form of hired labour or provision of seeds and seedlings. A little over two-thirds of the respondents fall under this *nhweso* category.

In general, about two-thirds of caretakers interviewed were operating the *abusa* farm arrangement category and the other one-third the *abunu* system (figure 5.2a). It should be noted here that in both the *abusa* and *abunu* systems, farmers do not get all the incomes from their farming labour, but have to share with the landowners. These farming arrangement have implications on the use of children in cocoa work.

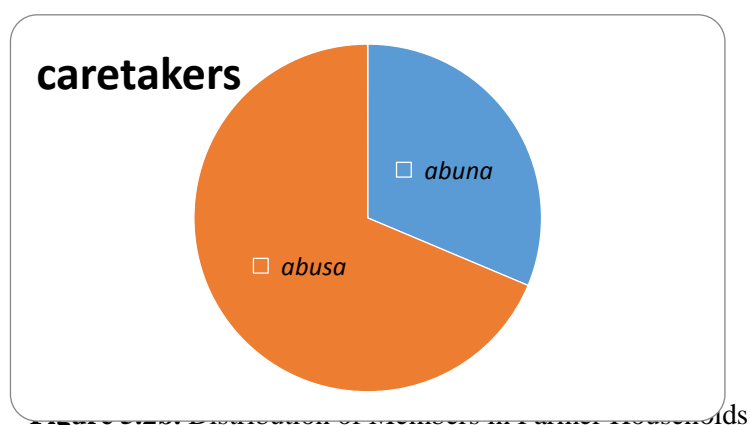
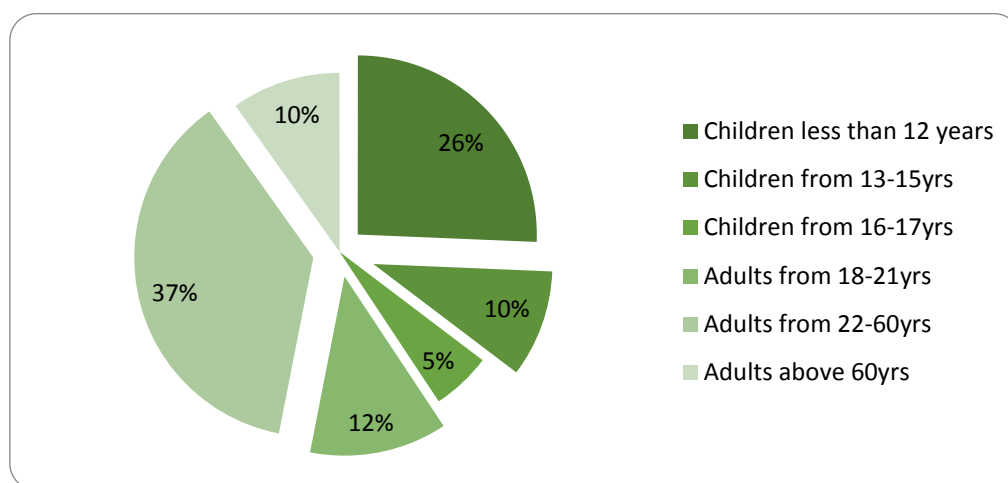


Figure 5.3 illustrates the distribution of members in the various households of farmers. Out of the total estimated household members of 1,025, 41% were children (less than 18 years), 12% were in the 18-21 age group, 37% of them fell in the 22-60 years age group and 10% were above 60 years old.



**Figure 5.3.** Distribution of Household Members of Farmers

### 5.5.2. Diversification Activities and Extent of Diversification

Some 70% of the farmers interviewed were found to be diversifying their income sources., out of which well over a third of the farmers were involved in farm diversification, and over a quarter were involved in non-farm activities. Very few engaged in both (farm and non-farm) diversification activities to earn incomes (Fig. 5.4).

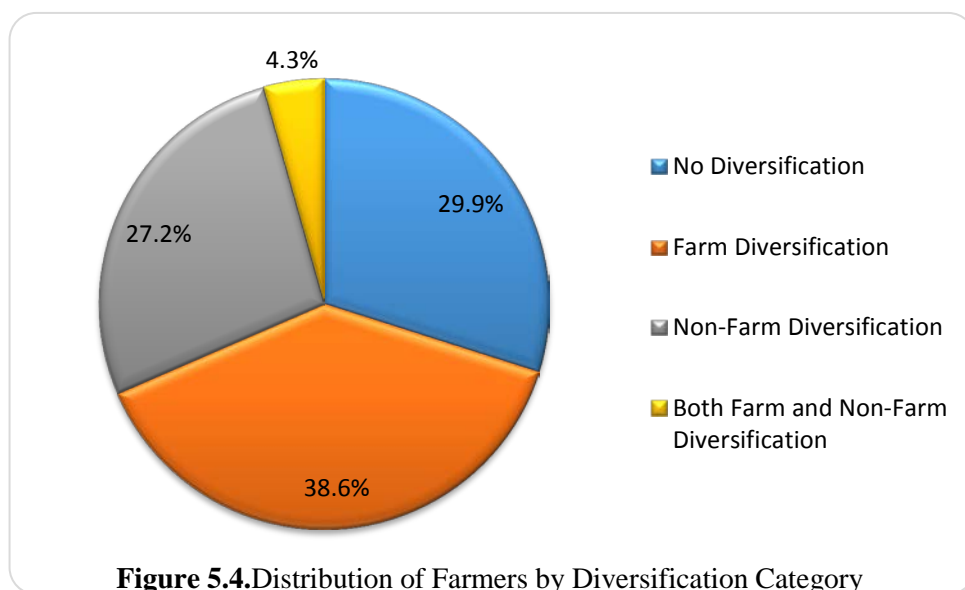


Table 5.4 presents the diversification activities and Table 5.5 the estimated diversification indices. Most of the farmers were engaged in farm diversification so as to meet their food security needs as well as gain income through the sales of their food surpluses. About 43% of the farmers who practice farm diversification usually produced food crops, such as plantain, cassava, banana, cocoyam, ‘vegetables’ (peppers, garden eggs, okro, tomatoes, etc.) and maize. Only 16% of this category produced cash crops, such as rubber, palm fruits and teak. A very few of the farmers (less than 2%) were involved in livestock production or sales of animals, such as chicken, goat, cattle, pigs, grass cutter and sheep. Nearly one in twenty of the respondents were involved in other agricultural activities, such as hunting and fire wood collection. In the case of non-farm sources of livelihood, the farmers usually engage in the following activities: petty trading (15%), working in the formal sector, such as teaching and district office work (5%), handicrafts, such as dress-making (4%) and artisanship, such as construction (3%).

The FGDs confirmed that while most of the males were involved in the other non-farm diversification activities, generally most of the women farmers were involved in petty trading, which involved activities such as food sales, fish mongering, selling alcoholic beverages (e.g. the local gin, *akpeteshie*) and other general items or groceries and stationery (exercise books, toffees, biscuits, water, etc). These is a general perception that that petty trading is ‘work for women’ (*emaa adwuma*). Even though this perception is rapidly changing in the urban areas, it is still strongly held in the rural communities.

Table 5.4. Diversification Activities

Activities	Percentage
Farm diversification activities	
Food crops	43.4
Cash crops	15.5
Animal sales/ livestock rearing	1.6
Other agricultural	4.7
Non-farm diversification activities	
Petty trading	14.7
Handicrafts	3.9
Transport businesses	1.6
Masonry, construction work	3.9
Mining (quarrying)	0
Salaried worker (formal sector)	5.4
Artisan	3.1
General Trade in non-agricultural produce	2.3
Others (such as clergy)	12.4

As explained (above), the value of SID ranges from 0 to 1. The maximum SID from the respondents was 0.66 with a mean of 0.24. The SID values for the various forms of diversification were estimated for comparison. It was observed that those farmers who

diversified more had higher estimated average SIDs. Farmers who only engaged in farm diversification had an average SID of 0.32, whilst those who did both farm and non-farm diversification had an average SID of 0.43, which is about 18% greater than the average SID of those employing only non-farm diversification (0.35). These results imply that farmers are diversifying at a low rate, as the SID values are not close to 1.

Table 5. 5. Type of Diversification and Estimated Index

	Min.	Max.	Mean	Std. Dev.
SID	-	0.66	0.24	0.21
No Diversification	-	-	-	-
Farm Diversification	-	0.66	0.32	0.19
Non-Farm Diversification	-	0.63	0.35	0.16
Both Farm and Non-Farm Diversification	0.20	0.57	0.43	0.12

### 5.5.3. Effects of Diversification on farmers Income

Table 5.5 illustrates the farmer diversification categories, their respective incomes and production. The results from the study indicate that the farmers in the no-diversification group produced an average of almost ten bags of cocoa in the 2013-14 cocoa season and earned an average of GhC 1,998 from their cocoa. All the farmers who had diversified were engaged in between one and three business activities(farm, non-farm or both). It is interesting to note that while, on average, the farmers who diversified into only-farm activities produced 7.9 bags which is just a little less (0.1 bags) cocoa than did those who diversified into other non-farm activities who produced 8 bags. On the other hand, those engaged in both farm and non-farm activities produced 14.3 bags of cocoa which obviously is higher than the first two groups of farmers (Table 5.6). This is most likely a function of land ownership (below, Table 5.10).

The total average income of farmers who diversified in both farm and non-farm activities is GhC 5,606 which is over 13% more than the total average income of GhC 4,863 for farmers who diversified into only non-farm activities and 49% more than the total average income (GhC 2,482) of farmers who diversified into only-farming activities. It is observed that the extent of diversification of farmers into both farm and non-farm activities is higher than those into either non-farm diversification or farm-only diversification, with the farmers engaged in



both farm and non-farm activities having the highest total income. These results confirm the assertion that diversification by cocoa farmers can help improve their livelihoods. Obviously whilst farmers who do not diversify derive all of their income coming from cocoa activities, farmers who diversify into (other) farm production gain 64.3% of their income from cocoa, and farmers who diversify into non-farm activities receive 66.6% of their income from non-cocoa activities. Most importantly, the results showed that farmers who diversified into both farm and non-farm activities have cocoa contributing more of their income (51.6%) compared to the contribution of non-cocoa income (48.4%). This is an indication that despite the importance of diversification, income from cocoa is still very important to farmers since it contributes more to the income of all the farmers but for those diversifying into non-farm activities.

Table 5.6. Bags of Cocoa Harvested and Corresponding Income of Respondents

Form of Diversification	No Diversification		Farm Diversification		Non-farm Diversification		Both farm & non-farm	
	Sum	Mean	Sum	Mean	Sum	Mean	Sum	Mean
Number of bags	544.0	9.9	561.5	7.9	401.9	8.0	114.5	14.3
Income from cocoa (GHC)	109,890	1,998	113,423	1,598	81,176	1,624	23,129	2,891
Income from other sources (GHC)	-	-	62,847	885	161,980	3,240	21,720	2,715
Total income (GHC)	109,890	1,998	176,270	2,483	243,156	4,863	44,849	5,606
Contribution of cocoa income to total income (%)	100		64.3		33.4		51.6	
Contribution of non-cocoa income to total income (%)	-		35.7		66.6		48.4	
Number of sources of income	55	1	143	2.01	98	1.96	24	3

#### 5.5.4. Reasons and Resources for Diversification

Several reasons were given by the respondents for diversification, especially in the adult FGDs. Almost all the respondents claimed they entered into diversification to augment their income as well as reduce their risks and vulnerability. The main reasons why they wanted to augment their income were to cater for household needs, pay for children's needs, including school, and finance their livelihood activities. In terms of financing cocoa production, one key activity that catered for was the hiring daily labour for weeding, which was found to be costly,

as mentioned (Chapters 3 and 4). Tables 5.7 and 5.8 show the various sources of resources the farmers used for diversification.

**Table 5.7.** Cash sources for Business Activities (%)

Cash Sources	Business Activity			
	Cocoa	Other Cash Crops (e.g. Palm Production)	Food Crops (e.g. Plantain and Cassava)	Petty Trading
Cocoa	74.4	47.1	18.4	12.0
Other cash crop	3.3	29.4	5.3	
Food crops	2.8	5.9	73.7	
Trading	5.0	11.8		88.0
Remittances	1.7	5.9		
Formal employment	2.2		2.6	
Work on other farms	1.7			
Borrow money	8.9			

As Table 5.7 shows, almost half (47.1%) of the respondents invest the cash from cocoa production in other cash crops, such as palm and teak productions. Approaching one in five respondents invest in food crops while one in eight invest the cash from cocoa in petty trading. Most of the farmers reinvest their cash from other sources beside cocoa back into the same business activities. For example, almost three quarters (73.7%) of the farmers reinvest cash from food crops back into food crops and they generally (88%) reinvest cash from petty trading activities back into petty trading. However, all the farmers reinvest some portions of their income from other sources into cocoa. A total contribution of around 18% from other cash crops is invested into cocoa.

Out of the quarter of non-cocoa income, only the 1.7% of remittances comprised an exogenous source of income; the rest were all endogenous sources of income, as they were acquired from the farmer's own investment. The 8.9% of farmers who borrowed had only a few sources of credits (Table 5.8). Some 4.9% of the farmers got their credits from purchasing clerks, and 2.2% of the respondents had local creditors as their source of credits. The interest

rate from the local creditors was as high as 69% p.a., as compared to the current bank interest rate in Ghana at something over 20%, which is itself greater than the interest from *susu*.<sup>47</sup> This result implies that the farmers do not access external sources credits.

Table 5.8. Sources of Credit

Source of Credit	No. of Farmers	%	Annual Interest Rate (%)
Family	1	0.5	0
Susu	2	1.1	10.0
Banks	0	0.0	0
Local creditor	4	2.2	68.7
Farmer group	0	0.0	0
Purchasing clerks	9	4.9	0

**Table 5.9.** Sources and Extent of Labour use for Various Business Activities

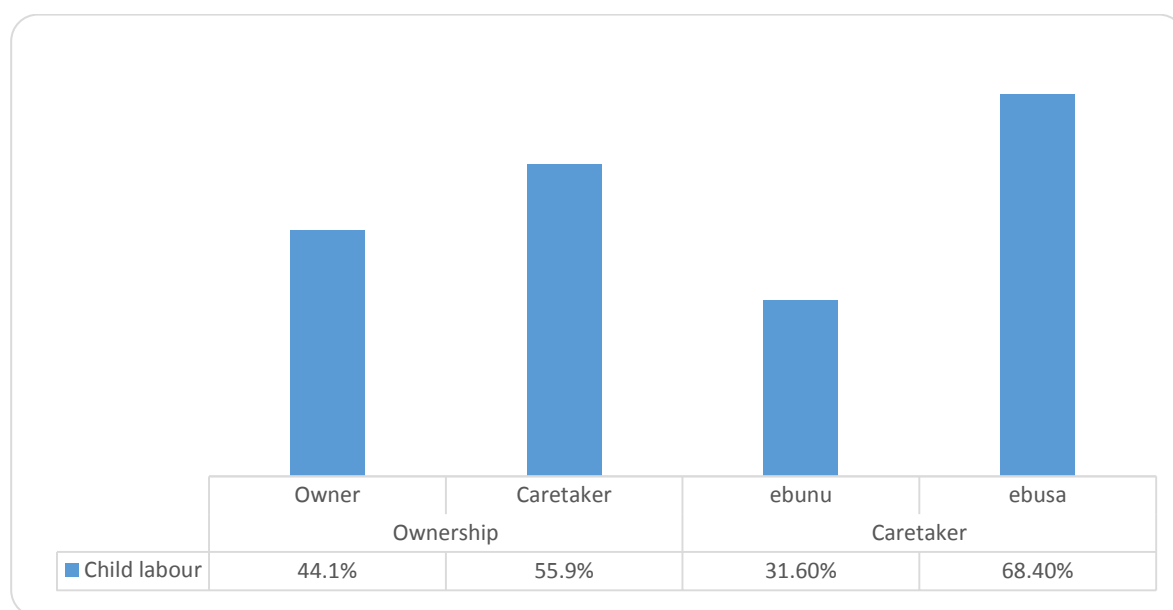
Labour Used	Business Activity							
	Sources of Labour (%)				Perceived Extent of Labour Used (%)			
	Cocoa	Other Cash Crops	Food Crops	Trading	Cocoa	Other Cash Crops	Food Crops	Trading
Own labour	88.6	3.8	8.2	100	48.7	60.0	87.1	100
Family labour – adult	37.0	6.5	12.5		30.8	60.2	72.7	
Family labour - child	18.5	2.7	12.5		27.6	25.4	30.9	
Hired labour (daily or by day)	73.4	3.3	1.1		42.1	72.2	77.5	
Hired labour (season contract)	14.1				82.7			
<i>Nnobia</i>	2.7				32.0			

Table 5.9 shows the responses for sources of labour for the various activities as well as the extent of labour used. The extent of labour are indications of how farmers perceive how much work is being done by the employed labour. Whilst almost three-quarters of the farmers used

<sup>47</sup>*Susu* is a local system of savings where members of a *susu* group contribute for a period of three months after which they can borrow from it.

daily labour (by day) for their cocoa farming, only a few (3.3%) of the respondents use daily labour for other cash crops. The 14.1% of farmers using seasonally contracted labour perceive that the employed labour do up to an approximately 83% of the cocoa farm work, which is greater than the 48.7% of the perceived work done by 88.6% of cocoa farmers themselves. All the farmers engaged in trading said they used their own labour and are fully involved in the trading activities.

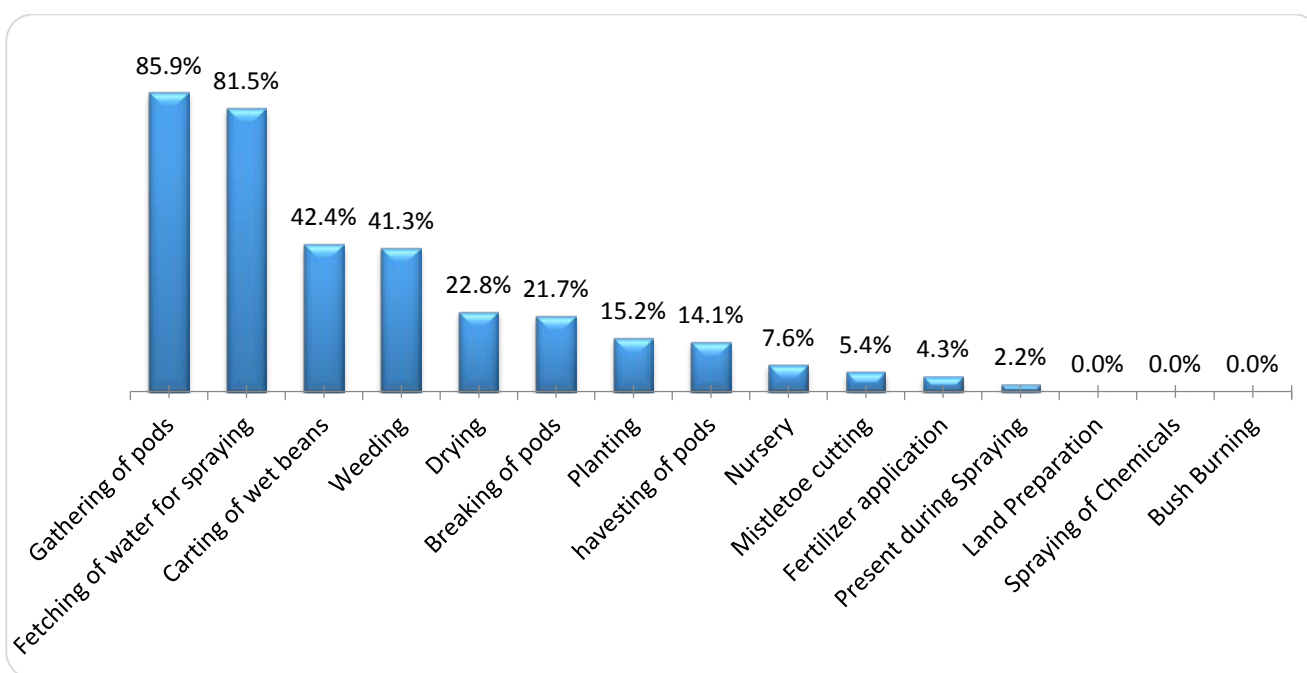
Some 37% of the cocoa farmers used their family adult labour as a source of labour for 30.8% of their cocoa production while 18.5% of cocoa farmers' children's labour is used for 27.6 % of cocoa activities. Besides analysing the number of farmers using CL (18.5 %), the study also investigated *which* of the farmers was likely to use CL. The result indicates that the larger proportion of farmers who acknowledged using CL were the caretakers (55.9%) compared to the owners (44.1%) who used their children (Figure 5.5). Of the caretakers who used their children, around two-thirds consisted those who were in the *abusa* category (Fig. 5.3). This confirms the literature indicating that caretaker farmers and contract labourers are most likely to use their wards, especially those who get only one third of the farm proceeds. Indeed, most of the caretaker farmers stay with their families on the farm and have limited access to school and other facilities.



**Figure 5.5.** Farm Ownership and Use of Child Labour

It was also observed that the use of CL was not limited to cocoa production. Other cash crops and food crops used 2.7% and 12.5% of children's labour for 25.4% and 30.9% of other cash crop and food crop activities, respectively. This is an indication that farmers use their children's labour generally, suggesting that cocoa production itself is not the cause of the usage of CL. However, the children do not do more than 31% of the farm activities. In the adult FGDs, farmers admitted children's involvement in almost all the activities in cocoa farming, except insecticide spraying and fertilizer application, but claimed that the children were used in farming activities especially on their cocoa farms after school hours and during weekends.

In the FGDs with the 92 children, they confirmed their involvement in cocoa as well as other farm and non-farm activities other than insecticide spraying, although they did testify to some engagement in fertiliser application. Figure 5.6 presents the percentages of children who said they had been involved in various cocoa activities. All the children admitted to having visited cocoa farms and being involved in one or more cocoa activities.

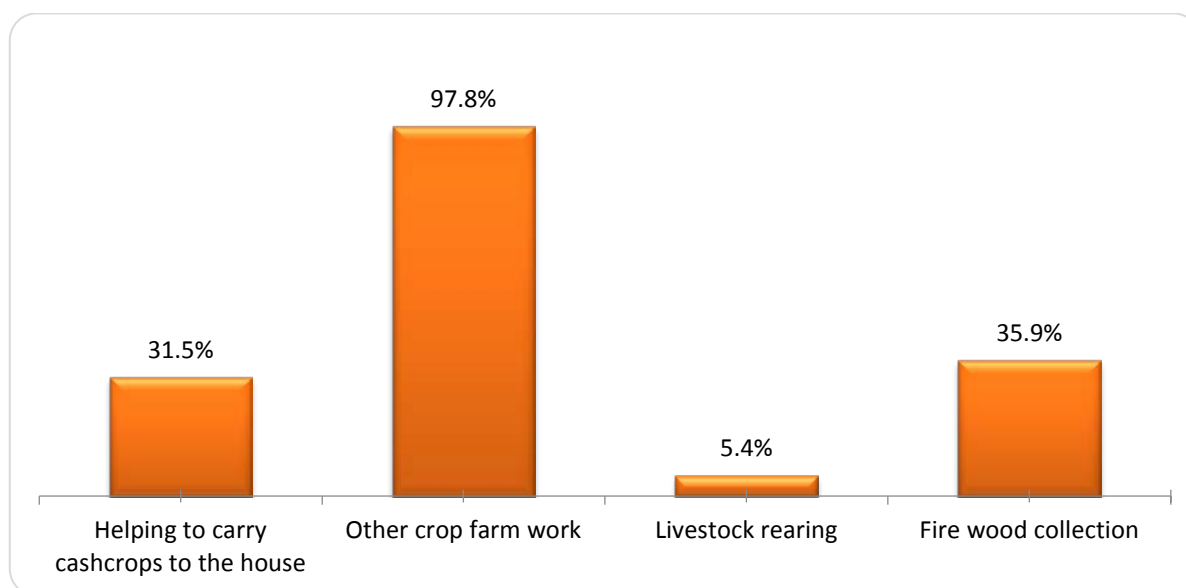


**Figure 5.6.** Percentages of Children Involved in Various Cocoa Farm Activities

Figure 5.6 shows that children were involved in all cocoa-farming activities with the exception of spraying of cocoa farms, land preparation and bush burning. However, about 2.2% of the children claimed to have been present while spraying was in progress. This is

considered harmful to the children and it is one of the activities that the HAF frowns on. The cocoa activities with the highest participation are the breaking and harvesting of pods, followed by fetching of water for spraying and then gathering of pods. These are all acceptable work for children as prescribed by the HAF, although it seems likely that fetching water for spraying may lead to being present during spraying if caution is not taken, so that may be something for future regulators to consider. The children also confirmed that they do most of these activities after school, on weekends, holidays and during vacations.

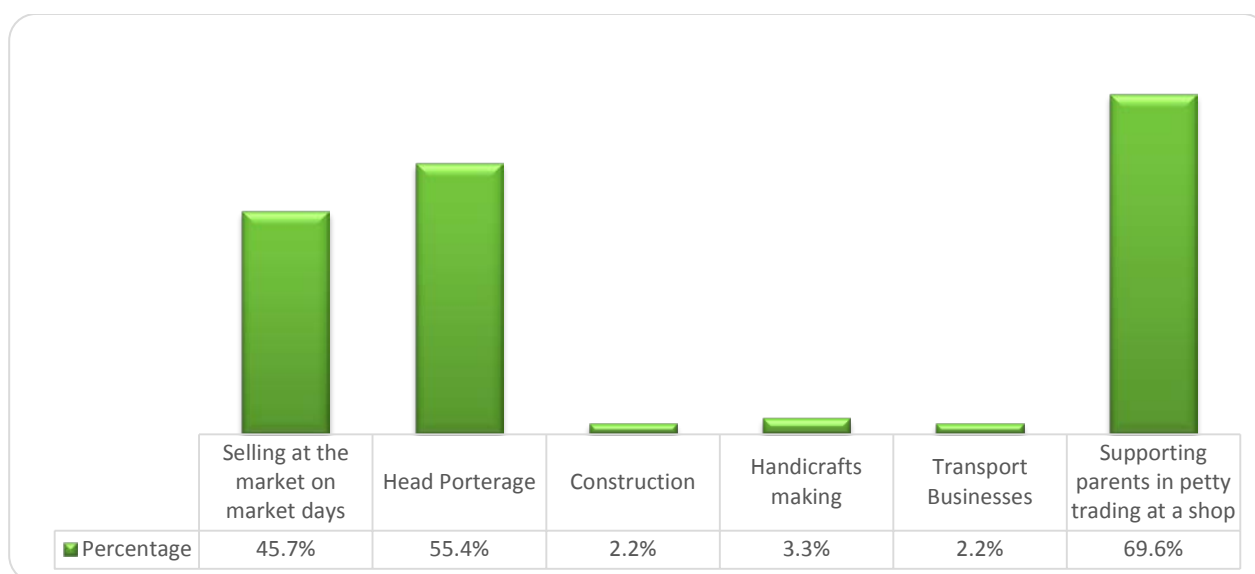
Almost all the children testified to helping their parents to do other crop-farming activities (Figure 5.7). They generally helped out by weeding around the crops, especially food crops, and they also helped in harvesting and carrying the produce home. Whilst the children confirmed that they hardly did any activity related to their parents' cash crops (especially palm and teak), almost a third said they helped to carry the harvested palm nuts to the house and sometimes helped in processing them. Only a few of the children were involved in the rearing of livestock (5.4%), while firewood collection was quite common(35.9%).



**Figure 5.7.** Percentage of Children Involved in Other Farming Activities

Figure 5.8 presents the percentages of children who had been involved in non-farming activities. A little over half (55.4%) of the farmers admitted that the children do hawking (head portorage) from house to house, or selling in the streets of processed (e.g. palm oil, cooked corn) or raw(e.g. cassava, plantain, banana) farm products. Just over two-thirds

(69.6%) of the children involved in the FGDs, mentioned that they support their parents in their petty trading activities. This contrasts with the results from the farmers who claimed they do 100% of the petty-trading activities. It can be that the farmers do not see their ward's help in the petty-trading activities as anything more than a child's chores to help the family(i.e. they do not really distinguish the children's labour in this respect). During the adult FGDs, the farmers mentioned that while they do their best not to allow children's education be affected by their business activities, the children do need to be trained for household chores and equipped with other (farming or non-farm) skills that may not be taught in their schools.



**Figure 5.8.**Children Involved in Non-farm Activities (%)

All the results for children's activities with regard to their involvement in their parents' businesses indicate that farmers use their children to support the high labour needs, including to maintain diversification. Moreover, it was observed that farmers who diversify more need more labour and therefore resort to their children to fill in the labour demand gap.

#### 5.5.5. Accessibility of Land /Land Ownership and Diversification

Table 5.10 presents the distribution of land ownership and the various diversification forms. The majority of the farmers who diversified were land owners. For example, out of the 71 cocoa farmers who practiced farm diversification, 47 (66.2%) were landowners, and over 50% of the cocoa farmers engaged in both farm and non-farm diversification were also landowners. The reason for this could be that farmers who own land can use the portion that is not suitable

for cocoa cultivation for other farm activities. Also, landowners may rent their lands to other farmers, and use the income for other business activities.

Table 5.10. Distribution of Diversification Forms and Land Ownership

Diversification Form	Owner		Total
	No	Yes	
<b>No Diversification</b>	32.7%	67.3%	55
<b>Farm Diversification</b>	33.8%	66.2%	71
<b>Non-Farm Diversification</b>	42.0%	58.0%	50
<b>Both Farm and non-farm</b>	50.0%	50.0%	8
<b>Total</b>	<b>36.4%</b>	<b>63.6%</b>	<b>184</b>

#### 5.5.6. Determining Factors of Diversification

Table 5.11 presents the results of the multinomial logit analysis of factors determining farmers' choice of forms of diversification. In the analysis, no diversification category is used as the base to normalise the model. From the results, the chi square value of 91.24 is significant at 1 per cent, implying that the model with the eleven variables is significantly different from the model with no variables, which in turn means that it is important to include the various variables in the model. Also the R square shows that 14.56% of changes in the dependent variables are explained by the explanatory variables. All variables meet the prior expectation (Table 5.2), although only significant variables are discussed. The results show that

1. Location, age of farmers and total expenditure significantly determine the decision of farmers to diversify into *farm activities*.
  - a. The negative relationship between farmers' expenditure and farm diversification indicates that the higher the farmer's expenditure, the lower the probability of diversification into farming activities;



- b. A higher farmer age reduces the probability of diversifying into farming activities, as indicated by the negative relationship between age and farm diversification;
  - c. The positive relationship between Ashanti and Eastern indicates that farmers in these two regions are more willing to diversify into farming activities than those in Western Region—this is probably due to a combination of reasons (see below, Section 5.6.2).
- 2. The age of farmers and extent of use of own labour for cocoa activities significantly determine the decision of farmers to diversify into *non-farm activities*.
  - a. Farmer age was negatively correlated with farmers' choice of diversifying into non-farm activities – as the age of the farmer increases, he becomes less likely to diversify into non-farm activities;
  - b. The extent of use of own labour was negatively correlated with the choice of diversifying into non-farm activities – an increase in the extent of use of own labour on the cocoa farm decreases the probability of choosing non-farm diversification.
- 3. Finally, the results suggest that location, education, FBO participation, and cocoa income significantly influence (positively or negatively) farmers' decisions to engage in both *farm and non-farm diversification*.
  - a. Education and farmers' choice to diversify into both farm and non-farm activities were positively related – the probability of farmers to do both farm and non-farm diversification increases with years of education;
  - b. Farmers in FBOs and diversifying into both farm and non-farm were negatively related – farmers who are part of the cocoa FBO in their community are less likely to do both farm and non-farm diversification;
  - c. Income had a positive relationship with farmers' diversification into both farm and non-farm activities – as the income of cocoa farmers increases, the farmers are more willing to practice both farm and non-farm diversification.

Table 5.11. Determinants of Diversification Forms

Factors	Form of Diversification						
	No Diversification	Farm Diversification		Non-Farm Diversification		Farm and Non-Farm Diversification	
		Coefficient (β)	Marginal Effect (dy/dx)	Coefficient (β)	Marginal Effect (dy/dx)	Coefficient (β)	Marginal Effect (dy/dx)
Ashanti Region	Base Outcome	1.842542**	0.2777668	0.4400229	-0.1504679	5.192485***	0.1625126
Eastern Region		1.641951**	0.2092091	0.8756853	-0.0511205	4.117497*	0.1222147
Age of farmer		-0.048288*	0.0003239	-0.0945002***	-0.011123	-0.024402	0.0005601
Years of education		0.0108276	-0.0016876	0.304965	0.0032581	0.0737386*	0.0023403
Marital status		-0.0611956	-0.0495342	-0.2319297	0.032581	-0.9293523	0.0338668
Years of cocoa farming		-0.0053271	-0.0004346	-0.004422	-0.0000361	-0.0194851	-0.0006131
Access to extension		-0.1790849	-0.0778564	0.288745	0.0571663	0.7575972	0.0286915
Part of FBO		-0.3855751	-0.0604932	0.504449	0.1604616	-4.671291**	-0.1745334
Income from cocoa		0.0001281	0.0000241	-0.000012**	-0.000017	0.0003173*	0.0000101
Total expenditure		-0.0001096*	-0.0000236	-2.68E-06	9.96E-06	6.36E-06	1.94E-06
Extent of own labour for cocoa		-0.0036302	0.0009985	-0.0142845*	-0.0017241	-0.0277222	-0.0008615
Constant		2.300122*		4.33867**		-0.3688956	
Log Likelihood = -191.414 Number of Obs = 184 Waldchi2 (33) = 91.24 Prob>Chi2 = 0.000 R2 = 0.1456							

NB: \*10% significant, \*\*5% significant, \*\*\*1% significant

## 5.6 Discussion

The results are discussed in terms of the types of diversification and the resources used for diversification, including CL.

### *5.6.1 The Nature and Extent of Diversification of Cocoa Production*

A significant number of respondents, 129 from 184 (about 70%) of the farmers employed either farm, non-farm or both farm and non-farm diversification with the remaining 30% engaged only in cocoa production. These results confirm similar figures from studies by Agyeman et al. (2014) and MASDAR (1998).

The major reason for cocoa farmers' diversification was to increase their income and food security, reduce vulnerability and spread risk. These findings are in agreement with several studies that have concluded that cocoa farmers improve their income by diversifying into either farm or non-farm activities (Aneani et al, 2011; Asmah, 2011; Barrett et al, 2001; Mollers et al., 2006). For example, Aneani et al. (2011) demonstrated that cocoa farmers have diversified from cocoa cultivation by growing other crops, such as oil palm, citrus, cassava and cocoyam, to expand their sources of income. Cocoa farmers usually diversify in order to maintain a flow of income throughout the year due to the seasonality of cocoa, as well as to take advantage of the perceived good prices of other produce and tackle the significant problems with rehabilitation of existing cocoa farms (MASDAR, 1998). In addition, the FGDs revealed that the non-cash crop proceeds were used for day-to-day household expenditures, including child care, medical bills, funeral and other social responsibilities. Cocoa farmers were thus engaged in farm and non-farm activities, such as producing foodstuffs and also some petty trading, to augment their income.

The study found that even though most farmers were diversifying, the extent of diversification was not high. This may result from the fact that the farmers were diversifying on a small-scale basis, as most of the farmers from the adult FGDs confirmed, and the returns from the diversification were not high relative to total income. This is in contrast with Aneani et al. (2011) that had a SID approaching 1, showing high diversification; however, the SID recorded by this study (0.66) is higher than the 0.338 generated by Agyeman et al. (2014).

### *5.6.2. Determinants of Diversification*

The multinomial logit regression made here gave the major determinants for cocoa farmers to diversify into either farm, non-farm or both activities as age of farmer, household expenditure, location, extent of own labour used and income from cocoa activities. Again, these findings corroborate the literature (Agyeman et al., 2014; Aneani, 2011). Significantly, increase in cocoa farmers' expenditure was not linked to enhanced farm diversification; this is probably because most of the income from the cocoa production or other non-farm activities that would have been used to purchase inputs, such as seeds and fertiliser that would have generated medium- to long-term returns may be used to cater for household expenses. According to Agyeman et al (2014), the larger the proportion of members who are either schooling, engaged in apprenticeship or aged, the less the extent of diversification; this is because there is less labour and income available to households for diversification.

The location of the farmers had a significant influence on their decision to diversify, in any form. Farmers in the Ashanti Region were more likely to diversify into farm activities and both farm and non-farm activities than were those in the Western Region. The study confirms Agyeman et al (2014), insofar as this observed a low degree of diversification among farming households in Western Region. There is more than one likely reason for the high tendency for Ashanti Region to diversify more into farm activities than the Western Region. One is that the Ashanti Region farmers have a more available and easily accessible commercial market (Adetola et al 2007). This is suggested by the results indicating that the farmers in the Ashanti region had the closest average distance to their markets (Table 5.3), which would have a high demand for farm crops like cassava and plantain. Also, the history of the region confirms that most of the indigenes in the Western region have sold their lands to migrants. In addition, the mining activities and timber concessions in the region have destroyed most of their lands; it is therefore possible that cocoa farmers in the region do not have extra land to use for other farm activities. According to the regional report for the 2010 Ghana population and housing census, only about 3.5% of the total land in the Western Region is for food crop production (GSS, 2013). Knudsen (2007) highlights that available land for cocoa farming in the Western region is scarce for the many households desiring to engage in farming activities.

This study found that as the age of farmers increases, they become less likely to venture into any diversification, especially non-farm diversification. This was emphasised in the FGDs: the older the farmer, the more reluctant he is to undertake additional farming activities. This

may however endanger the sustainability of cocoa production if most of the young farmers find more interest in other farm and non-farm business ventures, especially if there are higher returns from non-farm diversification. However, many farmers find a relative security in cocoa production with higher and guaranteed prices offered by COCOBOD, as compared to the price fluctuations in other farm products.

The farmers who mostly used their own labour for cocoa production are relatively unlikely to enter non-farm diversification. This could be explained from the fact that farmers do not have enough revenue to employ more labour to oversee the other activities, which is further indicated by the results showing that all the farmers engaged in trading were fully involved in the activities in their business ventures (with some help from the children). Barrett et al. (2001) explain that smallholder households endowed with a plentiful labour supply but relatively little land will apply some labour to their own farm, and hire some labour for off-farm wage employment. Cocoa farmers who were more educated were found to have a higher tendency to diversify into both farm and non-farm activities to improve their livelihood. This result agrees with that of Asmah (2011), who found that education has a significant positive influence on farmers' willingness to enter into non-farm activities. Barrett et al. (2001) also found that households endowed with education are at advantage in terms of their ability to make better policy reforms for the relatively remunerative opportunities in the non-farm economy. Education is an investment in human capital development, and such human capital is an important asset for portfolio diversification. Educated farmers simply have more diversification options.

It is interesting that farmers involved in FBOs were found to be not willing to diversify into a combination of both farm and non-farm activities, but just into only-farm diversification. This could be explained by the fact that the FBOs usually encourage and train their members in farming activities rather than non-farm activities, and because adherence to good agricultural practice is somewhat time-consuming (Owusu-Amankwah, 2014b) and rigorous, so such farmers may not find time for other non-farm activities.

### *5.6.3. Resources for Diversification*

The two main resources for diversification assessed in this study were cash and labour. The study found out that farmers used more endogenous resources than exogenous. For cash resources, some of the farmers used endogenous sources whilst others use exogenous sources. With the endogenous sources the farmers used cash from their own various activities to

reinvest into the same or other businesses. The farmers reinvest some of the cash acquired in the businesses for that particular business whilst others utilised cash from other sources for other production. Almost half (47.1%) of the farmers producing other cash crops (e.g. palm), 18.4% of respondents growing food crops (e.g. plantain, cassava) and 12% of respondents engaged in petty trading use income from cocoa for their respective diversification activities. Only 2% and 5.9% of the farmers employed remittances for cocoa production and production of other cash crops, respectively. This is an indication of a greater use of endogenous resources.

Another implication of the results is that farmers do not re-invest their income from cocoa fully back into cocoa production. Again, whilst most farmers invest cash from cocoa into other areas, only a few of the farmers (not more than 5%) invested money from other sources into cocoa. More farmers used cocoa income for other farm and non-farm activities than those who utilised income from other activities into cocoa farming. According to Aneani et al. (2011), the alternative crops to cocoa compete with cocoa for resources resulting in decline in the profitability of cocoa relative to other crops. Farmers may easily divert investments into other crops due to a fall in yield or price. According to Pieniadzet al. (2011), the main economic incentive for farm diversification is the expected income increase or resource allocation, whereas risk minimisation is less relevant. The allocation of available household resources between farm and non-farm activities might provide additional income, and this is especially relevant for highly seasonal production, such as cocoa.

A further indication of the use of endogenous resource is the use of labour. The results from the study confirmed that most of the farmers were using their own labour in both cocoa and other farm and non-farm activities. None of the cocoa farmers hired daily labour for their non-farm activities, while 14.1% hired contract labour and 32% used *nnoboa* only for cocoa farming. *Nnoboa* is employed to do up to a third of the cocoa activities, mainly to help the co-farmer in the breaking of cocoa pods, which they cannot easily do alone by themselves and the hired labour. As indicated above (Chapter 3) and by Owusu-Amankwah et al. (2014a), this system is a form of social capital available to but under-utilised by cocoa farmers (see also below).

There is a growing importance of income from non-farm activities; nevertheless, income from cocoa continues to form large percentage of household income, as well as the demand for non-farm goods and investment in the non-farm sector. This thesis confirms Knudsen's

(2007) assertion that diversification of income from farm to non-farm activities comes with a significant dynamic relationship between the two, and that even though income from non-farm activity is growing, the process of de-agrarianisation as defined by Bryceson (1996) is not taking place in cocoa. Importantly, most farmers see cocoa farms as security for old age. Also, the process of de-agrarianisation means that labour is transferred from agriculture to other sectors, but this thesis asserts a fluid movement of labour to and from cocoa. Reducing owners' involvement in cocoa producing means employing farm-hands so that both farm and non-farm activities can co-exist (ILO, 2004). Knudsen (2007) agrees that the non-farm sector in rural Africa has the potential to absorb the growing labour-force and therefore of slowing down rural-to-urban migration. Farmers employ other labour for their farm activities so they can concentrate on their trading and other non-farm activities.

A very significant finding from the study was that 18.3 % of the farmers used family CL for cocoa production and other farm activities, some of which could be classified as hazardous. The children were involved in as much as a quarter and more of cocoa activities, such as gathering and heaping pods, breaking pods with a cutlass, drying beans, carting fermented beans, plucking pods, fetching water for spraying and scooping beans. In the case of other farm businesses, the children were also involved in carting harvested palm nuts and citrus home. According to the HAF, activities such as the cutting of mistletoe, in which about 5% of the children participated, being present during spraying, breaking cocoa pods with a cutlass and carrying heavy loads are hazardous for children. Thus CL is employed for both cocoa and the other livelihood activities by farmers to fill the labour gap. In trying to justify this CL, most farmers claimed that the children worked during weekend and holidays, which is somewhat irrelevant as a justification if the activities the children are involved in are hazardous. As noted (above), barely a third of the farmers used the *nnoboa* system as an alternative labour source. According to Owusu-Amankwah et al. (2014a), the strengthening and improvement of the *nnoboa* system would help in dealing with cocoa labour issues and fill labour gap.

In the case of which type of farming arrangement influenced the use of CL, the results indicated that caretakers operating in both *abusa* and *abunu* systems were likely to use their children more than owner operators. This is similar to Casely-Hayford (2004), who found that caretakers often reside on or near the farm with their families and may have limited access to social facilities, such as school. It is also similar to Nkamleu and Kelland (2006), who suggested that the children of migrant farmers are more likely to be used as farm-hands and in

most cases do not attend school. Since production activities are labour intensive, there is the tendency for farmers to source labour from children to supplement adult labour, which is a common practice in many smallholder farming production systems. The *abusa* caretakers, for instance, get only one third of the farm proceeds which will make it difficult for them to maintain the farms and also provide for their families and may lead them to use their children to supplement labour inputs as necessary and as a matter of course.

## **5.7. Conclusions**

The study reported in this chapter sought to assess the diversification of livelihoods by cocoa farmers in Ghana and applied a multi-stage sampling technique to interview a total of 184 cocoa farmers from the Western, Ashanti and Eastern Regions. It sought to also ascertain the extent of diversification, as well as the effects of this on their income. In addition, it investigated the determinants of diversification to gain information on the constraints to diversification. Finally, it has presented insights into existing farming arrangements, the resource requirements for diversification and the effect of these on CL. The specific questions below were investigated:

1. How are farmers diversifying their livelihood sources and what is the extent of farmers' diversification activities (farm & non-farm)?
2. What are the effects of diversification on income of cocoa farmers?
3. What are the factors that affect cocoa farmers' diversification decisions?
4. What resources do cocoa farmers use in their diversification activities and to what extent do children participate in farm and non-farm activities?

### **The Nature and Extent of Diversification of Cocoa Production**

The study reported sought to find out the types of farm and non-farm diversification activities cocoa farmers were engaged in and the extent to diversification. The results show that although about 70% of the farmers were diversifying into either farm, non-farm or both farm and non-farm activities, the extent of diversification by the farmers is not high, with about 30% not diversifying at all. Of the farmers who were involved in farm diversification, about 43% typically produced food crops, such as plantain, cassava, banana, cocoyam, vegetables and maize; 16% grew cash crops, such as rubber, palm fruits and teak; 1.6% were involved in livestock production; and 4.7% of the respondents were involved in other agricultural



activities, such as hunting and fire wood collection. In the case of non-farm sources of livelihood, the farmers usually engaged in the following activities: petty trading (14.7%), working in the formal sector, such as teaching and district office work (5.4%), handicrafts, such as dress making (3.9 %), and artisan, such as construction (3.1%).

The relatively low extent of diversification was confirmed by an estimated maximum SID diversification index of 0.66. However the study observed that those who diversified more had higher estimated average SIDs. Farmers engaged in only-farm diversification had an average SID of 0.32, which was lower than those who did both farm and non-farm diversification (0.43). This was also 15.16% higher than the average SID of those only practicing non-farm diversification (0.35). The extent of diversification into both farm and non-farm activities was higher than that into either non-farm diversification or farm diversification only. The results imply that farmers with more diversification are likely to benefit more than farmers with few diversified activities.

#### Effects of Diversification on Income of Farmers

The findings also suggest that farmers who diversified into both farm and non-farm activities are likely to have higher cocoa productivity (over fourteen bags) as well as a higher average income (GHC 5,606) than did the farmers who either did not diversify or who did so but only into either farm or non-farm activities; the no-diversification group produced an average of less than ten bags of cocoa in the 2013-14 cocoa season and earned an average of GhC 1,998), while those who diversified into only-farm activities had fewer bags (under eight) but earned GhC2,482; the farmers who employed only non-farm diversification, meanwhile, had higher income of GhC 4,863, which was half as much again more than the total average income of farmers who diversified into only-farming activities.

This analysis shows that the farmers who diversified were better off than those who did not diversify at all and that non-farm diversification yields better incomes than does farm diversification. Indeed, there was a growing importance of income and resources from non-farm activities; nevertheless, income from cocoa continues to constitute larger portion of household income as well as the demand for non-farm goods and investment in the non-farm sector. There were no indications that farmers were leaving cocoa or that land is losing its importance for livelihoods. This thesis asserts a fluid movement of labour to cocoa and vice versa. Reducing owners' involvement in cocoa production means employing farm-hands so that both farm and non-farm activities can be developed.

### Determinants of Diversification

The study has shown three main categories of determinates of diversification. Firstly, location, age of farmers and total expenditure significantly determine the decision of farmers to diversify into other (non-cocoa) farm activities. The negative relationship between farmers expenditure and farm diversification means that the higher the farmer's expenditure, the lower is the probability of diversification into farming activities. Again, an increase in age of the farmer reduces the probability of diversifying into farming activities; there was a negative relationship between age and farm diversification, which explains why about 30% of the farmers did not diversify at all, since about 30% of the farmers were 60 years or above.

Secondly, the results indicate that the age of farmers and extent of use of own labour for cocoa activities significantly determine the decision of farmers to undertake non-farm diversification activities (rather than not diversifying). An increase in the extent of use of own labour in the cocoa farm decreases the probability of choosing non-farm diversification.

Thirdly, the results show that location, years of education, being part of an FBO and income from cocoa significantly influence the farmers' decision to engage in both farm and non-farm diversification (rather than not diversify). There was a positive relationship between the level of education and farmers' decision to diversify into both farm and non-farm activities. The probability of farmers to engage in both farm and non-farm diversification increases with years of education. Again, farmers being in FBOs and diversifying into both farm and non-farm were negatively related, implying that farmers who are part of FBOs are not willing to diversify into non-farm activities but rather just into farm diversification, which gives them more time for the implementation of good agricultural practices. Lastly, the positive relationship between income and decision to diversify into both farm and non-farm activities means farmers are willing to diversify into both farm and non-farm activities with an increase in income.

### Resources for Diversification

The two main resources for diversification assessed in this study were cash and labour. Firstly, the study found out that farmers used more endogenous resources than exogenous. Secondly, farmers did not re-invest their income from cocoa fully back into cocoa production. Thirdly, whilst most farmers invested cash from cocoa into other sectors, only a few of the farmers invested money from other sources into cocoa. The implication is that more farmers

re-invested cocoa income into other farm and nonfarm activities than those who utilised income from other activities did (re-invest) into cocoa farming. This implies less investment into cocoa production, which may have negative consequences on productivity and subsequently income and livelihood. Fourthly, most of the farmers used their own generated income for their diversification activities. There were a few credit options in the communities, but there was also a low return on investments as compared with the interest rates, especially the up to 60% rates on credit given by local operators.

A further indication of the use of endogenous resource is the use of labour. The results from the study show that most of the farmers were using their own labour in both cocoa and other farm and non-farm activities. None of the cocoa farmers hired daily labour for their non-farm activities, while farmers hired contract labour and use *nnoboa* for only-cocoa farming. *Nnoboa* is employed to do up to about a third of the cocoa activities, mainly being used to help co-farmers in the breaking of cocoa pods.

Children were involved in both farm and non-farm activities, including some that were hazardous. The children were involved in non-hazardous cocoa activities, such as gathering and heaping pods, and hazardous activities, such as breaking pods with a cutlass. Most farmers in trying to justify children involvement claimed that children worked during weekend and holidays. The results suggested that the type of farming arrangement influenced the use of CL and indicated that caretakers were likely to use their children than owners. The *abusa* caretaker farmers are generally required to provide all inputs and labour with little or no support from the landowner and are thus likely to use the children to supplement labour needs.

## **CHAPTER 6**

### **Conclusion and Policy Implications**

## **6.1. Introduction**

Pressure on cocoa value chain actors to free cocoa production from worst forms of child labour (WFCL) and improve the livelihood of farm families has led to various innovative initiatives by global and local actors. These are on-going processes that report on changes in labour conditions and reorganising the cocoa production chain to improve the well-being of children, farm families and communities. Analyses in terms of implementation, implications and the appropriateness of these innovation initiatives in driving change in the cocoa supply chain and improving the labour and income conditions in cocoa farms are limited. Initiatives being led by the key actors in the value chain include governmental initiatives, business-led certification intervention and farmers' livelihood approaches. An example of each of these in Ghana – respectively, its community-based child labour monitoring system (CCLMS), the third party voluntary cocoa certification (TPVCC) and income diversification– was used as case studies to understand the current development in the cocoa value chain and to analyse the dynamics between the local and global actors and the effect of these dynamics for the reorganisation of the cocoa production-chain.

This thesis did not take any particular epistemological stance but rather employed an interdisciplinary perspective and combined innovation theories with livelihood and social theory perspectives and other social science tools to empirically investigate these innovation initiatives as they operate at micro- (village, rural community), meso-(municipality, district) and macro- (nation, world)levels to ascertain their implications on farmers' livelihoods and children's social situations identify appropriate policy intervention(s) to deal with the situation. It also reflected scholarly interest in understanding how global-level development interacts and affects local-level development and how globalisation shapes and mediates local influences within the cocoa production system; and it further sought to ascertain how global-local interaction creates new initiatives, reconstructs social knowledge and action (Feenberg, 2010; Ruivenkamp, 2008) and overcomes complex social and economic problems, such a child labour (CL) and poor livelihoods (impoverishment). The overall objective of this thesis, therefore, is to establish a better sense of the kinds of innovative initiatives that are being implemented in the cocoa sector to reduce CL and eradicate WFCL and to improve the livelihoods of farmers and to explore how these can offer opportunities for sustainable structural change to occur.

In order to achieve this central objective, the study addressed the following research questions:

- 1) Does the CCLMS have potential in mobilising social capital to combat CL?
- 2) How is business actors-led TPC being implemented by local and global actors and what are the implications of this in driving change in the labour conditions of children and livelihoods of farmers?
- 3) How and to what extent are cocoa farmers diversifying their incomes and what factors are influencing their diversification decisions?
- 4) What concrete policy measures need to be taken for sustainable change to occur?

Three case studies were conducted focusing on smallholder farms in various cocoa-growing communities across different regions in Ghana to investigate more closely the three (government-led, business-led and farmers' own) strategies. The empirical evidence provided in this thesis has led to a number of conclusions.

1. The research on the CCLMS revealed a system that has largely been developed as a result of global pressure coming from activist organisations in the North to improve children's social situations. Performing a voluntary social auditing role in the communities where members hold themselves accountable for the welfare of children, the system is to some extent mobilising and empowering the community to continuously solve the problems confronting the community and children in a timely manner, and has potential to go further in this direction. CCLM is embedded in community structures and has established local partnerships and alliances that have fostered ownership and brought positive changes. As in any innovation process, it is essential to have at least one highly respected person in the community who is committed to the implementation process to be a local leader.

The study reported here has shown that implementation of interventions embedded in community structures owned by the community and reinforced by the enforcement of by-laws and adequate technical support from appropriate organisations can reduce children's involvement in hazardous labour and CL generally. The study validates one of the key pillars of implementing CCLM – that it should be anchored in existing local and district structures and that locality-specific, socio-cultural and socio-economic considerations are critical. The more attention that is paid to these, especially in the context of external interventions, the more they can boost the confidence of local people to accept and desire change in the interest of all. The individuals, their interests and their energies are influenced by social pressure

that regulate, coordinate and exert pressure on fellow farmers and parents to change their attitudes towards the use of children in cocoa farms, offer general protection and further value schooling. This study has demonstrated that social norms, trust and cultural traditions anchored in daily routines are significant for social choices. Communities with CCLM intervention are more likely to improve the social situations of children than communities without it. This is evidenced by reduced participation in hazardous work, increased school attendance and the expanded social protection accessible to children.

Alongside the legal definitions of CL, it should be noted, there is local cultural desire for children to be seen as a 'good child' – not only by the parents and guardians but also as felt by the children themselves – which influences the support given by children to parents' activities. Children working on the farm in a smallholder context should not necessarily be equated with CL, particularly if it is not hazardous to the child's well-being or development. The latter is the case, however, if a traditional socialisation comes at the expense of their education and affects their health negatively. And indeed, it was economics – the risk of losing beans and high cost of labour – that was the main reason why the children were seen to be compelled by their parents to skip school for the farm. Using CCLM alone without commensurate livelihood improvement intervention creates imbalances in the system.

2. TPC formulated by business actors is a key innovation in the cocoa production system of Ghana. The study made of this has shown the potential of TPVCC to mobilise financial, human and social capitals to address gaps and dysfunctions and create a win-win situation for all the actors of the value chain. Sector-wide standards that address sector-specific needs taking into consideration the views of chain actors, especially farmers and their socio-cultural context, enhance compliance. This is because, it has been demonstrated, international standards cannot be very well imposed; rather, they are analysed, contested and adapted by farmers to suit local practices on the ground. There is, one might say, an on-going negotiation between the externally determined end and the locally given context through which the actual outcomes emerge.

The study has also shown the potential of the TPVCC to address CL and livelihood issues, although it was fairly clear that better results will be yielded in this respect if TPC can be implemented in improved socio-economic conditions. Even though CL elimination was not one of the main motivating factors for farmers' involvement in certification, most of the certified farmers were found to be complying with most of the standards and involvement of

children in hazardous cocoa farming activities is being reduced, thereby offering the children the opportunity to fully access school. TPC is changing and reorganising organisational and institutional relationships, both vertically and horizontally, and has brought new rules and guidelines (institutions) that are affecting how organisations involved in certification progress. The main motivation for farmers to participate in these TPC initiatives is economic rather than social or environmental, even though these aspects are also relevant. As in the CCLM case, the driving power of economic (livelihood) fundamentals cannot be over-stressed and must not be overlooked. Lastly, the commonalities and common outcomes that TPVCC and multi-functional agriculture (are expected to) generate suggest that the former may promote the latter. These last two considerations – issues of economic need and the flexibility of farming and rural systems – indicate more than ever the need to focus on the farmers, which is the starting point of the third approach.

3. The study of farmers' initiatives has been particularly focussed on the efforts of rural community households to create on-farm and non-farm diversification, using largely indigenous resources but on a small scale and at subsistence level. This condition means that goal of farmers to supplement cocoa income and reduce risk is not achieved according to the level of diversification– essentially, they do not scale-up to gain profit, and the farm remains and regarded as the basic income and future security (thus, de-agricianisation is not observed as a feature of income diversification). In fact, farmers operate more in a peasant environment (Van der Ploeg, 2009) with little influence of the livelihood decisions of farmers from outside their communities. This lack of interaction and learning inhibit the capacity of farmers to innovate on their own, which is compounded by lack of access to resources, especially financial inputs and, in Ghana, for caretaker farming families in particular. Nevertheless, some 70% of all farmers interviewed report a certain level of income diversification from farm and non-farm activities.

The study indicated that farm-owners spend more time on non-farm than farm activities and earn more income from non-farm than from farm activity. It also indicates that farmers invest more of the income from cocoa into non-farm activities than they invest non-farm income into cocoa. This implies a growing importance of income from non-farm activities. Nevertheless, income from cocoa continues to determine household income as well as the demand for non-farm goods and investment in the non-farm sector. Interestingly there is fluid movement of labour between non-farm and farm diversification activities. The study indicated that some farmers use their children in cocoa-farming as well as in other farm diversification areas, such



as cash and food production. These children are usually involved in (cocoa) farming activities, some of which can be classified as hazardous, such as the breaking of pods. Farmers on their own without external direct influence producing at a subsistence level are likely to use the children to supplement labour needs.

## **6.2. Summary and Discussion of Main Conclusions**

This section presents the discussions under two main categories: first, specific issues that pertain to individual objectives and then, general issues that relate to all the objectives.

### *6.2.1. Specific Issues: Understanding the Innovation Initiatives Implemented – How are the Initiatives being Implemented?*

As indicated in Chapter 1, global and local forces could create a hegemony and counter-hegemony that could lead to innovations which means deliberate new or adapted human practices designed to initiate and establish future developments concerning technology, economics and social practices (Howaldt & Schwarz, 2010) in which communities develop a range of socio-organisational arrangements (Van Schoubroeck, 1999) and conditions for such practice to happen. The first two interventions presented in this thesis, those of Chapters 3 and 4, show how global-level development interacts with and affects local-level development and how globalisation shapes and mediates local influences.

#### The Community-based Child Labour Monitoring System

The results of the study presented in Chapter 3 indicate that the CCLMS in Ghana can be analysed as operative at three levels: the community (micro), municipal level (meso) and national level (macro). The CCLM system design was composed of two components: local monitoring and data gathering. The local monitoring involves direct observations made, repeatedly, to identify child labourers and establish the risks to which they are exposed to, connect them referral system that provide social services, verify that they have been removed and track them to ensure that they have satisfactory and sustainable alternatives. The data-gathering process, which this study found to be very weak, was met through a community register that collected basic information, such as school enrolment and attendance, inward and outward movement of children and their involvement in hazardous activities.

The first point to be made here is that the study found extensive usage of formal and informal, existing and new structures, such as the traditional institution of the chieftaincy and the dedicated Community Child Protection Committee (CCPC), with, in the case studied, the local community Chief providing robust leadership that directed the community to take responsibility, in particular to deal with WFCL. The CCLM was embedded in community structures and had established local and municipal partnerships and alliances that have fostered ownership and brought some positive changes. The authority of the CCPC, the child panel (CP) and even the chieftaincy are premised on the social capital of individuals; their groups and their energies are affected by social pressures that regulate, organise and exercise pressure on farmers and parents to change their attitudes towards the use of children on cocoa farms and offer general protection. Social partnerships were created with local authorities, teachers, parents, children, farmers, municipal authorities and, to some extent, national level actors to ensure that all working children and child labourers are protected and are not working in violation of the law or applicable regulations. This supports the assertion that social structures that enable social norms and sanctions that enforce and the role of community, local government institutions, leaders and professional human capital, such as teachers, all facilitate the creation of a social capital that can enhance children's access to facilities for their learning and improve the quality of community life generally (Haines & Green, 2002).

Secondly, the study has shown that experience, personal relationships, norms and values are essential in influencing individual appreciation and comprehension of the issues. The CCLM is serving as a voluntary social auditing system whereby individual and members hold themselves accountable for the welfare of children. The system has mobilised and empowered the community to continuously solve the problems confronting it and its children. A sense of individual and collective responsibility for CL elimination and ownership of the process is noted, especially at the community level. This thesis takes it as axiomatic that social capital in the family as well as in the community plays a key role of in the creation of human capital. The high education, financial status of family members and relations among them, as well as their availability and accessibility to the child are all indicators that measure the social capital available to the child.

Thirdly, the study also found that interventions that reinforced socio-cultural values are easily adopted by people. It has been shown that implementation of interventions embedded in community structures and owned by community strengthened by the enforcement of bye-laws

and adequate technical support from appropriate organisations can bring changes at the local level. There may be a rich, existing social capital existing in local communities that can be tapped for the sustainability of interventions to improve not only children's livelihood but also that of farmers. The enthusiasm of the local-level actors actively involved in the CCLMS even without monetary compensation, for example, came as a result of a cultural responsibility pattern that defined and influenced individuals and group behaviour as well as power relations within the community. Similarly, the child surveillance system embedded in the CCLM was not very difficult for the people to accept precisely because it resonated with the communal system in which a child does not belong to his or her parents alone but is a part (thus responsibility) of the whole community. Linked to this is the observation that smoother coordination between the groups was achieved as a result of the actors understanding their roles, thus supporting the claim that actors perform better when they know their roles and how their roles relate or feed into each other (Seddon et al., 2008). For example, while the CCPC was responsible for raising awareness, registration of children and monitoring CL issues, the CP handled cases uncovered by the CCPC where financial or other circumstances are threats to child's rights. This worked on the combined basis of individual and organisational role appreciation and its communal embeddedness.

Fourthly, the aspiration of a child to be seen as a 'good child' by parents and guardians also influence the support they give to parents even at the expense of their education. Again children's aspiration to be seen as good and hard-working also supports the conceptualisation of childhood as a social construct and embedded in socio-cultural traditions, values and practices. As Boakye (2010) states, children are biologically vulnerable beings in need of protection but at the same time social beings with prescribed social functions and relationships: children identify with their social roles. This further indicates that values such as obedience, responsibility and reciprocity are essential aspects in the socialisation of a child, and that the input of children into the working structures of their immediate social units – here, family farms – is not in itself to be denied. In other words, this emphasises the distinction between children's work and CL.

The new system of CCLM and the global concept of CL contest this cultural context, however, and place restrictions on the use of the child in work. Parents calling on the child to skip school and perform work may be due to economic reasons, but occur within a social structuring of parental/family and communal rights as well as child duties. This implies a Northern hegemonic discourse of child rights applied to children's work as CL that may be a

little skewed. The demand on children's time for work in cocoa farms again converts to economic empowerment and a pointer of livelihood, with all family members expected to contribute their part, however small. This thesis therefore posits that CL could be said to be culturally embedded and that any intervention which operates oblivious to this dimension is bound to suffer. Certainly in the smallholder, Ghanaian context, this is critical for children's involvement in cocoa work, implying, at the least, that children should not only be targeted for separation from work (abolition) but need to be offered appropriate avenues (regulation) to nurture their skills through a cultural-legally acceptable framework that provides for their involvement while eliminating WFCL, such as prescribed by Ghana's HAF.

Notwithstanding the positives of the CCLM approach, the study did identify various shortcomings of the system in operation. A lack of robust data collection system, failure to monitor children at the farm level, weak organisational capacity (technical and financial), a weak referral system, inadequate incentive system for actors (especially at the micro-level), inadequate alternative labour and lack of economic incentives and inadequate funding were the main limitations of the CCLMS and may affect its sustainability. The challenge of not monitoring at the farm level may be remedied if the children are empowered through sensitisation to their rights to the extent that they can demand these from their parents and guardians and report abuse to the CCPC and their teachers without fear.

The data collection aspect is important to enable the determination of trends in CL practices in the cocoa sector in the various communities and districts. This will be useful in assessing the effectiveness of the measures and policies aimed at eliminating WFCL in cocoa and inform strategies and planning at community, municipal and national levels. Data collection can be time consuming; here, the data collectors were basically farmers sacrificing their farm-work for data collection without remuneration for the vital service they provide. This was indicated as a challenge because it can affect how and when they participate. To sustain the system, there is a need to design a cost-effective incentive package that will motivate CCPCs to provide a quality service that guarantees the credibility of the data and its timely collection. This aspect in the scale-up of CCLM to cover other communities as well as sustaining the pilot areas is a requirement going forward.

### Third Party Voluntary Cocoa Certification

Chapter 4 investigated the TPVCC system initiative of business actors, including chocolate companies, cocoa traders and licensed buying agencies, which are implementing TPC models,

such as those of UTZ Certified, Fairtrade and Rainforest Alliance (RA). Structures and process are essential elements of analysing innovation outcomes through a multi-level perspective (MLP) (Geels, 2004).

First, stakeholders at the macro-level of the consumers, NGOs, media and governments (from the North) exerted pressure on the chocolate industry to adopt measures to tackle CL, especially WFCL, and the socio-economic needs of farmers, as well as address environmental concerns. In respond to this pressure, big chocolate companies are now sourcing certified or ethical cocoa. This has made certification a demand-driven system. The study elaborated that TPVCC is being driven by business actors such as chocolate companies and LBCs and supported by government organisations, NGOs, standards bodies and farmers, who are the pivot around which certification processes and practices evolve. These stakeholders have distinctive roles aimed at meeting particular challenges, including those that face smallholder farmers, which characterises the situation in Ghana. Among the smallholder requirements are support for cooperative organisational building, extension, entrepreneurial skills, input credit schemes and capacity building for sustainable agricultural practices.

At the meso-level, licensed companies and NGOs serve as interface between farmers and traders or chocolate manufacturers. These pre-finance and coordinate the certification process, receiving and holding the certificate and managing the internal management system (IMS). At the micro-level, farmers belonging to cooperatives voluntarily agree to work with the principles and standards of a particular certification body (RA in this case). The study observed a healthy synergy at work in the global-local collaboration resulting in a co-creating of knowledge and positive experience. As indicated by many authors (e.g. Leeuwis &Pyburn, 2002; Van de Kerkhof & Wieczorek, 2005), such approaches can help to overcome complex social and economic problems. The multi-stakeholder nature of a TPC system means that pooling resources (financial, social, skills) requires dynamism and commitment in order to yield better outcomes for farmers given them the opportunity to be part of certification, which is presently a niche market in the chain. As indicated by Hermans (2011) and Van der Ploeg (2000), niche innovations are carried out and developed by ‘small groups of pioneers’ and ‘dedicated outsiders’ that are marginal to the existing networks of the socio technical regime.

Secondly, depending on local knowledge, understanding and experiences based on their socio-cultural practice, farmers’ tended to directly implement the standards that were not difficult, but they reframed or rejected the standards that were alien to them and their socio-

cultural circumstances. Global or international standards cannot, therefore, just be imposed or assumed thus, since they are analysed, contested and adapted by farmers to suit local practice and on the ground. This finding confirms Malets (2011). The process reveals the challenges of ethical sourcing implementation, where the farmers and socio-cultural context are essential, not only in terms of monitoring performance but also in defining what is good performance in the first place. The ends cannot just be assumed or determined and imparted from a distance, in a top-down fashion, but need to be sensitively negotiated – since ultimately, as shown here, it is something like that which happens anyway. If this is not properly appreciate and acted upon, there will likely be a disjoint between policy and practice that can undermine aims and objectives of otherwise worthy initiatives. To achieve a more holistic compliance, there is thus the need for a deeper understanding of the socio-cultural and economic context in which cocoa is cultivated to design more specific standards that will take into accounts the input of all key actors including farmers.

Thirdly, the TPVCC as implemented in Ghana, is generally built on economic, social and environmental sustainable principles and conforms to most of the characteristics of a multi-functional agriculture understood as recognising agriculture's different roles and functions, producing not only commodities but also non-commodity outputs, such as environmental services, landscape amenities and cultural heritages (OECD,2003; Ollikainen & Lankoski, 2005; Vatn, 2002). TPVCC principles and criteria related to things like protecting children from agricultural hazards and promoting decent labour conditions, protecting river bodies and ecosystems, reducing the use of agrochemicals and the promotion of integrated farm management and enhancing the livelihoods of farmers are all things that multi-functional agriculture also seeks to promote. This symbiotic match-up implies an area for further study.

Fourthly, this thesis posits that TPVCC as a new system may take some time to consolidate in respect of the internalisation of new practices, to foster social learning and build farmers' capacities to enable them handle the range of institutional and management issues involved in the certification process. Certification thrives in conditions of effective farmer-based organisations, which is not common in the system studied; this study thus reveals well the need for policy support to streamline the many different standards without mandatory enforcement of those.

### Farm and Non-farm Diversification Farmer Activities

Seeking to assess the diversification of livelihoods by cocoa farmers in Ghana, the study reported in Chapter 5 applied a multi-stage sampling technique to interview 180 cocoa farmers from three different regions (Western, Ashanti and Eastern). This study examined the extent of diversification, how diversification affects the livelihood of cocoa farmers and the resources of diversification, as well as the determinants of diversification.

The study results show firstly that though about 70% of the farmers were diversifying into either farm, non-farm or both farm and non-farm activities, the extent of diversification of farmers was not high. This was confirmed by an estimated maximum (SID) diversification index of 0.66. Farmers operate more in a peasant environment with little external influence on their livelihood decisions. This lack of interaction and learning inhibit their capacity to innovate. A multinomial logit regression analysis was applied, which indicated location, age of farmer and total expenditure as determinants of cocoa farmers' diversification into farming activities outside of cocoa.

Secondly, the findings showed that farmers who involved in FBOs were more willing to diversify into farm activities. Younger cocoa farmers were generally more willing to diversify into other farm and non-farm activities, as were, in this case, cocoa farmers living outside Western Region. Access to resources such as cash or labour was shown to be a necessary condition for effective diversification without cocoa production being affected, since farmers used resources from cocoa production for other business activities, both farm and non-farm. Farmers used more endogenous resources than exogenous resources for their diversification activities. Most farmers prefer to concentrate on their non-farm activities themselves and therefore use other labour, such family and daily workers, for cocoa and other farm productions. Farmers spent more time on and receive more income from non-farm than farm activity; similarly, more of the income from cocoa is invested into non-farm activities than is non-farm income invested into cocoa. Overall, the study shows the growing importance of income from non-farm activities, but income from cocoa continues to determine household income as well as the demand for non-farm goods and investment in the non-farm sector. Cocoa is seen as a security for farmers, due to the ready market provided by COCOBOD and the long lifespan of cocoa trees.

Lastly, this thesis confirms Knudsen's (2007) assertion that diversification of income from farm to non-farm activities brings with it a significant dynamic relationship between the two,

and that even though income from non-farm activity is growing, the process of de-agrarianisation is not taking place in cocoa as defined by Bryceson (1996). The process of de-agrarianisation means, among other things, that labour is transferred from agriculture to other sectors, whereas the evidence here is of a fluid movement of labour, both to and from cocoa. For farm owners, their involvement in cocoa production means employing expensive farm hands so that the cocoa farming work does not suffer too much when and as they diversify, including to non-farm activity. This shows how important cocoa is to farmers and indicates a rural disinclination to de-agrarianisation so far as Ghanaian cocoa production is concerned.

### *6.2.2. Common Issues*

This thesis sets out to also investigate how government-led interventions, business actors-led interventions and farmers own initiatives are impacting on the social situations of children (access to education and protection from hazardous work) and livelihood/productivity of farmers, in addition to their effects on cocoa production systems. The motives of the actors involved is also of interest. The following conclusions are drawn.

#### CCLMS and TPVCC: Reducing WFCL and Improving Children's Social Situations

A major component of both CCLMS and TPVCC is the aim to eradicate CL from cocoa farms as based on ILO Convention 182 (1999), ILO Conventions 29 (1930) and 138 (1973) and Ghana's Children's Act 560 (1998), Trafficking Act 694 (2005) and Hazardous Activity Child Labour Framework (HAF, 2008). In the case of TPVCC, it is embedded in the RA/SAN principles and regulations and farmers and so therefore obliged to adhere to ILO Convention 182, which deals with WFCL and HAF.

All the children interviewed by this study have participated in cocoa work (Chapters 3 and 4), a fact that should not be surprising, much less shocking, as explained (above). Nevertheless, those communities not involved with the interventions did have more children more often involved in work considered hazardous more than did the communities where CCLM and TPVCC were being implemented. Chapter 5 indicated the use of CL by farmers when there was no external intervention. With the TPVCC, the children of the certified farmers improved their school attendance more in the case of the non-certified. Similarly, unlike the communities without interventions, those with interventions have access to social protection from the members of the communities (chiefs, child labour committees, opinion members, certified farmers and teachers). This shows the positive change that global and local



interactions and processes can bring and indicates, moreover, that a convergence of the two will be good.

The findings from Chapters 3 and 4 underlined how the main challenge faced by farming families is low income, along with inadequate infrastructure in rural communities. Farmers even went to the extent of paying teachers' fees due to the lack of teachers to cover all classes (Chapter 4). Chapter 3 also indicated an inadequate referral system to support remedial intervention, among other things. This thesis therefore posits that CL is multi-faceted and multi-dimensional; a holistic approach is necessary to deal with this issue properly and requires a multi-sectoral, comprehensive package that includes adequate school infrastructure, teachers and school materials and aims for better infrastructure generally, along with improved incomes and an improved overall socio-economic situation.

It was observed that children have been sensitised on CL issues and their right to education. They have also seen the changes before and after intervention. Most children confessed that their work load has been reduced and they were supported by parents and were allowed to go to school more frequently. The improvement in the children's school attendance and access to basic school materials are subtle ways that cocoa certification and CCLMS reduce hazardous labour; there is the development here of a virtuous circle, whereby the one promotes the other, continuously. A general observation was also that all the children were willing to offer their services to support their parents and guardians even during school days because, they said, it would help their parents to cater for them and also gain them their parents' confidence. Therefore, the desires and social identification of children influence the support they give to parents, even at the expense of their education. This confirms the literature indicating that CL in Africa is deeply embedded as a part of the social construction of childhood (Kjorholts, 2004). Interventions into CL need to treat this as fundamental to why children work. In this way, such interventions can help reduce CL and ensure that cocoa production is ethically responsible and socially sustainable (Blowfield, 2004; Clark & Gow, 2011; Salaam-Blyther et. al., 2005). It must be noted however that there was no linkage between the two initiatives of community monitoring and enterprise certification. This also invites further study.

The CCLM intervention (Chapter 3) has also brought governmental duty bearers, such as the municipal assembly, closer to the community to attend to both technical and material needs of the community. As a result of the regular interaction between community actors and

municipal assembly staff, the needs of the community were being better attended to. An example was where the examination fees that was supposed to have been paid by parents were absorbed by the local authority; another was the building of a library complex, and yet another was the motivating of community leaders (to work voluntarily). With only two staff in the Social Welfare office, which is required by law to monitor social situations of children, the community actor's support comes in handy to assist and enhance the role of the social welfare officers. This process has strengthened and offered opportunities for institutions to prove their worth in handling children's affairs, as well as filling the gap in terms of organisational performance.

### Cocoa Productivity and Livelihood Systems

In the first case study (Chapter3), the intervention yielded social outcomes that included occupational safety and health awareness of children and reduction of CL. This thesis has established that the key weaknesses of CCLM were the absence of a referral system, undeveloped data collection protocols and the absence of income enhancement activities to improve livelihood, thereby causing system imbalances. Since the key cause of CL in Ghana is low income, it is expected that any intervention aimed at reducing CL must deal also with the economic empowerment of parents and guardians (smallholders). This was absent in the CCLMS.

The third case study (Chapter 5) concluded that farmers on their own, individual initiative were pursuing diversification of their incomes using on farm and non-farm economic activities, with those involved in farm activities outstripping the non-farm. Farmers diversifying their income in non-cocoa farm activities received much income than those who pursued on-farm diversification. In the case of TPVCC (Chapter 4), the benefits as enumerated by farmers and also observed by the fieldwork were two-folds, quantifiable and non-quantifiable. The quantifiable benefits included high yield, increased income, access to peer support (*nnoboa*) and access to credit and training, as well as low application of and therefore reduced costs for agrochemicals, due to farmers' adoption of better farm management practices. The non-quantified benefits included awareness of the effects of agrochemicals on health and an improvement in school attendance. The farmers believed that with this knowledge, their standards of living would improve in the long run. The main disadvantage of the certification system mentioned by farmers was that the standards were too many and complex and required a lot of effort for compliance.

### 6.2.3. *Social, Technical and Organisational Dimensions*

Chapter 4 showed that certification has expanded the social and economic network available to farmers and is co-creating knowledge at micro-, meso- and macro-levels, which has given the stakeholders further understanding of and insight into the sector. The process has created multi-level networks and alliances between industry, NGOS, the private sector, public sector and farmers. These relationships have created avenues to further mobilise the financial resources, expertise and technical skills of stakeholders and, through that, some of the problems facing the sector are being solved. It was also established in Chapter 3 that the CCLM was built on foundations that are already in place (community structures) and grounded on those who have the official mandate (government and traditional structures) to ensure that children are protected. The above discussions showing the processes involved in the implementation of TPVCC and CCLM imply that innovation is not composed of technical aspects alone, but also – and perhaps more importantly – social, cultural, economic and organisational aspects. The organisational dimension as well as the social-cultural relationships have enabled or limited the implementation and compliance of the standards (technical aspects). The process has shown four dimensions – technical, economic, social and organisational – which were interconnected and therefore interdependent. The implementation of the technical aspect –the standards and related practices, such as application of agrochemicals, integrated pest management, protection of children and water bodies – was embedded in the cooperative group to which the farmer belongs and economic serving as the main motivating factor.

Again, the technical and organisational aspects were aided by the socio-cultural practices and relationships. Thus, they were interconnected and provided space, conditions and place limitations for one another (Leeuwis & Van der Ban, 2004). It is within this process of interdependence that new sub-groups, like the spraying gangs, have emerged and old ones such as *nnoboa*, have been strengthened. This confirms the literature that technical innovations are not possible without the social and organisational dimensions. These are mutually interdependent and are best implemented concurrently. As asserted by Wiskerke and Van der Ploeg (2003), the building blocks of innovation may be hidden and discovered as the process unfolds.

Chapter 3 and 4 have provided insights into cocoa production processes and how the various actors in the chain are reacting or responding to consumer agitation and its effect on the cocoa

production landscape in Ghana. First of all, the study has shown that the standards are generic, numerous, demanding and in most cases alien, not only to local norms and cultural practices but also to the type of enterprise, smallholder farming. The acceptability, modification or rejection of a standard depends on the farmers understanding of that particular standard and how it relates to the socio-cultural practices. Chapter 5 has also given insight into business as a situation in which farmers operate more in a peasant environment with little influence of the livelihood decisions of farmers from outside their communities.

#### *6.2.4 Stakeholder Motivation and Emerging Coping Strategies Adopted by Farmers and Children*

The study aimed also to investigate what motivates actors to become involved in the interventions. The main actors under study were farmers, business actors and governmental agencies. These actors each have their own interest that drives their actions.

##### Motivating factors and drivers

The factors and incentives that drive actors to enhance performance are complex and intertwined. It is argued in the literature that the diverse and complex set of factors create a managerial incentive structure which serve as a basis for formulating strategies (OECD, 2000; Galarotti, 1995). By design, the CCLMS is informal and community-based, managed and anchored in local structures with the community leaders driving the process. They see themselves as having the responsibility for the development of children in the community and therefore as owning the process. This is critical for change to happen. In the case of CCLM, the local people are actively involved and driving it. The motivation of these individuals can be categorised into personal, social roles and corporate. The personal experiences, perceptions and responsibility as individuals influence the support they gave to the new intervention. All the leaders and opinion leaders indicated their previous experiences, which include education and work and the impact of that on their well-being, their understanding of the issues at stake, and their sense of obligation to offer to society what they have received.

As propagated by Everett Roger (1983), early adopters in an innovation process have, among other traits, higher social status, more favourable attitude towards credit, change, education, more social participation, more change agent contact and more exposure to mass media and interpersonal communication channels. The individuals holding portfolios in the communities here, such as the Chief, Assemblyperson and teachers again felt obliged by the responsibilities

attached to that position to enhance the wellbeing of the children. The enthusiasm of the actors involved in the CCLM system, even without monetary compensation, was as a result of the cultural responsibility patterning that defined and influenced individual and group behaviour. This thesis concludes that community leaders and change agents were motivated by social factors and power structures within the communities and are essential elements that can be used to introduce innovation technology. Alignment of policy with community aspirations is also a key factor that accounted for the positive outcome. For instance, all leaders, parents and children identify with the problem of WFCL and therefore want to change the situation.

It is globally accepted that the government or the state has a responsibility to promote all aspects of the lives of its citizens. It is against this background that the government of Ghana developed and led the implementation of the CCLMS, so it may be said that one motivation of the government is social. With the threat of regulation to boycott cocoa beans produced with WFCL and discussing this in the context of the cocoa revenue impact on the economy of Ghana, it can also be concluded that the government led for economic reasons. The government again has the responsibility to maintain the image of Ghana in the global arena, and therefore the issue of CL was seen as a way that the good image of Ghana might be tarnished and thus needed intervention.

Such economic and image safeguarding reasons apply also to the business actors who supported the certification process. In the case of business actors, anticipation of regulations, fear of competition and the threat to market share were the key motivators. Apart from having the responsibility for caring and protecting their children, the fear of sanctions with its impact on damaging self/family image, as well as the need to improve livelihoods (Chapter 5) are the critical motivation factors why farmers respond to these innovations.

### Coping Strategies

One of the critical reasons for all interventions is economic –the sustainability of income. Here, the withdrawal of children from school by parents to avoid the risk of losing beans has been documented (Chapter 3). The main cocoa activities that engage the children when they skip school were the gathering of beans and carting wet beans from the farm to the village. These two activities usually performed by children are time bound. After the cocoa is fermented for 6-7 days, it needs to be dried immediately to avoid loss of beans through over-fermentation and mould, leading to low bean quality. The risk of losing beans and high cost of

labour were the main reasons why the children were compelled by their parents to skip school in favour of farm.

In order to formalise their actions and avoid being sanctioned some parents sometimes ask permission from teachers. Knowing the situations of the children in terms of school needs, teachers sometimes accede. This thesis confirms that no matter the intervention, farmers will always request children to support them on occasion, if they cannot find alternative labour, especially in time-bound activities. Encouragement and improvement of labour groups and development of labour-saving tools are thus indicated; farmers were establishing sub-groups for spraying and pruning, sharing human and social capital, to cope with the increased labour demands, reduce costs created through the certification process (Chapter 4).

Another coping strategy adopted by farmers was taking loans from informal sources to augment their income and invest in cocoa and other farms. Some farmers take loans during off cocoa harvesting season at extremely high interest from private credit providers. Even though farmers mentioned they can use their cocoa farms as a collateral for loans, most of them rely on local money lenders with high interest instead of taking loans from formal banks, since banks are not readily accessible to them. Some children also find a way to generate income, for instance, doing half a day weeding at farms (e.g. cassava farms), catching crabs and fetch firewood for sale to cover some school expenses and support family income. It has been further documented (Chapter 5) that farmers using especially endogenous resources engage as much as 46% family labour which include CL (18.3%). This is mainly used for farm activities. These are negative coping strategies that lead to absenteeism and school dropout. This confirms the literature indicating that poverty level impacts the way in which households deal with shocks and the extent to which investment in children are sacrificed as a risk coping mechanism (UNICEF, 2013).

#### *6.2.5. Reorganising the Cocoa Production Systems.*

Eradication of WFCL is not one of the motivating factor for farmers to opt for certification programme (Chapter 4). However, children of certified farmers are fully attending school and receiving support from their parents, unlike uncertified farmer's children. This is also being supported by labour support groups, where, for instance, farmers support one another in farming work, even with the carting of fermented beans, which was mainly the job of children, as well as improving the quality of cocoa beans following adherence to the mandated six-day fermentation period (Chapter 3). The strict enforcement of fines for defaulting farmers

and the boycott that they suffer when they need support are two of the sanctions systems supporting the effectiveness of the *nnoboa* system. In communities without CCLM and TPVCC this was not observed. Farmers were mostly working on their farms independently and using family labour, including that of children, as well as daily labour, which is costly, and sometimes calling neighbours to support the breaking of pods (Chapters 3 and 5).

The various interventions in the sector as shown by the three case studies are an indication of emerging new forms of organisations that encompass networks of collaboration and learning both within and with other stakeholder groups as results of globalisation. The emerging social innovation at the micro-, meso- and micro-levels indicate how stakeholders have been stimulated by global and local conditions to reorganise themselves to achieve sustainable production. Farmer organisations are a requirement under certification, so for this reason also new organisations are emerging. The networks available to the farmers involved with the interventions have expanded, leading to the availability of many kinds of social and human capital; this are leading to the development of a group of farmers with the technical capacity to manage their farms as integrated businesses.

The interventions, especially CCLMS, are organising social capital in the communities to deal with CL. The TPVCC is also reorganising farming practices to include environmental and social practices and consciousness, which, in addition to the adoption of good agricultural practices, are believed to sustain the cocoa sector and also provide conditions for multifunctional agriculture. Farmers are using the mainly indigenous resources available to them to improve their economic well-being. These interventions, even though more or less with similar objectives, are not linked in any way, however; economic incentives will continue to have a great impact on cocoa sustainability. In the course of implementing these interventions, resources are being mobilised.

The interventions are changing organisational and institutional relationships both vertically and horizontally. There has emerged a multi-stakeholder collaboration of networks and partnerships as a result of TPVCC that is seen as a social, institutional and organisational innovation. From a governance perspective, the emergence of partnerships is largely positive, inasmuch as partnerships act as initiators and agents of change which, unfolds a chain-wide governance effect (Bitzer, 2012). Certification has brought new rules and guidelines (institutions) which are affecting how organisations involved in certification will progress. For instance, it is a requirement for farmer organisations subscribing to certification initiatives to

set up and manage an IMS, which require extensive documentation of the process, decisions and practices at the organisation and farmer levels. However, the level of capability required by standards bodies to manage the process is beyond that of individual farmers and farmer groups, so this requires external support in the medium- to long-term, which has cost implications that affect the premium farmers get for all their efforts. For example, the certificate holder may spend as much as 50% of the premium on administration of an IMS. This thesis asserts that these new systems may take some time to consolidate for the internalisation of new practices, fostering social learning and building of farmers' capacities to enable them handle the institutional and management issues involved in the certification process.

This thesis observed that communities involved with certification have on-going peer monitoring mechanism for child abuse to protect the group certificate. The effectiveness of this depends on how well farmers are able to peer-advise and apply sanctions, such as suspension from the group. It was noted that a farmer group can shield colleagues who act contrary to the rules (Chapter 4). The fear of incurring the displeasure of neighbours together with the possibility of losing the farmer to another group as well as scaring potential members caused the group to waive the sanctions. This also implies that there is competition among farmers associations for membership, which is positive in that it will cause farmers groups to better manage the group to sustain interest, but has disadvantages, such as, indeed, shielding colleagues. Certification as an innovation is clearly testing cultural behaviours and attitudes and it is still operating within 'protected spaces' (Geels, 2005).

#### Mobilization of Adult Labour

The three case studies have shown that the utilisation of the *nnoboa* system is intensified with certified farmers who belong to a cooperative. This is because certified farmers belong to a group that has norms, like the rules governing the management of *nnoboa* system, and therefore they are able to overcome the challenges associated with the operationalisation of *nnoboa*, such as lack of trust, management of *nnoboa* groups, resources to maintain the groups and technical support from appropriate institutions. Notably, the use of *nnoboa* has helped in mobilising adult labour to replace the services of school children especially during school hours (Chapter 4). This explains the reduction of the workload of children in cocoa farming. The less costly labour of *nnoboa* (a form of social capital) has implications for other capitals available to farmers, especially human and financial capitals.



Chapter 4 has shown that labour support systems such as *nnoboa* thrive on trust, commitment to reciprocity, enforcement of accepted rules governing the group and can improve the quality of beans. For instance, the group's help in breaking of the pods and carrying the fermented cocoa to the drying mat at the village, the mandated six days fermented period is strictly adhered to and has increased quality of the beans. Conveying wet beans to the drying mat was mostly a children's activity. The strict enforcement of fines on absenteeism from *nnoboa* activities has helped the system very active, with farmers reaping its benefits, such as reduction of labour costs.

Some farmers used the *nnoboa* system only for cocoa breaking, which suggests a possible source of labour support for other farm activities. Also, while Chapter 4 has shown that the cooperative groups were creating sub groups to reduce labour cost and share the social and human capitals created as a result of the certification process, most of the farmers studied in Chapter 5 and some communities without interventions in Chapter 3 and 4 did not belong to any group. There is, therefore, a collation here between the growth of social mutual support and group formation. This study posits that existing institutions provide a framework within which growth can be initiated at a local level.

### **6.3. Policy Implications**

The above review of conclusions from the results of the studies presented in this thesis has many policy implications. Four main areas are identified, pertaining to economic incentive, CL, multi-stakeholder platforms and TPVCC.

#### *6.3.1. Economic Incentive– The Main Driver*

This thesis asserts that cocoa stakeholders will be highly motivated if incentive-based regulations are intensified to regulate the sector towards sustainability and at the same time provide incentives that stimulate innovations. As Stavins (1992) contends, economic investments are cheaper than the imposition of performance standards. For instance, economic incentives are the main motivating factor that is stimulating the on-going innovations in the cocoa sector reported here and therefore can play a critical role in cocoa sustainability. Economic incentives such as premiums, access to inputs and training leaves the freedom to subscribe and provides reasons for subscribing (OECD, 2000). Another example in the sector is where firms provide incentives for farmers to adopt new systems such as TPVCC because

under this system, they improve their public image and sustain the supply of their raw materials. TPC as a key innovation in the cocoa production system of Ghana operates many standards that require a lot of efforts to comply. Farmers subscribe mostly because they expect to be rewarded by the payment of price premium.

It is seen in this thesis (Chapter 3) that not all certified beans produced by farmers were sold as certified because of a lack of market. This is contrary to the assertion that certification programmes offer farmers greater market access (Newton et al., 2013). This was raised as a concern by over 1400 global stakeholders during 2014 World Cocoa Conference in Amsterdam – farmers are not getting a market for their certified beans! As this study mentions, stakeholders at the meso- (LBCs and NGOs) and micro-level (farmers) are taking advantage of the certification process. This raises questions about whether TPVCC can contribute to sustaining the industry. Other questions such as how long the price premium will serve as incentive for farmers also arise.

*Economic incentive is the strongest driver for all stakeholders.* Whatever agenda there is, whether social or environmental, economic incentives should be well integrated into that agenda. The incentives propounded here cover all levels (micro-, meso- and macro-, but especially at the micro-level). This means that any policy that is geared towards the sustainability of cocoa production and farmer livelihood improvements should factor in economic incentives that will serve as a stimulator and give the freedom to decide whether and when to subscribe or unsubscribe. Chapter 5 indicates that most farmers on their own will not be able to diversify on a scale that will move them out of poverty. This also applies to the mobilisation of available capital at the micro-level. It needs to be stimulated.

### *6.3.2. Eradication of Child Labour in Ghana*

CL is multifaceted problem and requires multidisciplinary and inter-sectoral inputs. In addition to focusing on social protection, betterment of economic conditions for the improvement of the communities and the broader socio-economic situations in the country are the broadest policies implied here. Again to the economic recommendation (above), improvement in the area of CL requires the activation and reorganisation of community labour support networks (such as *nnoboa*), sub-groups (such as pruning gangs), the adoption of labour-saving technology (such as pod-pickers – see below) and integration and coordination of pro-poor interventions such as school-feeding and social-protection programmes.

This thesis has indicated the importance of formal and informal institutions and organisations to the effective eradication of CL. This enhances children's access to facilities which in turn facilitates their learning and development. One key obstacle to the effective implementation of the CCLM is weak institutional capacity (technical and financial) and inadequate incentive system for actors especially at the micro-level. It is also mentioned that communities with CCLM intervention are more likely to improve the social situations of children than communities without it. In view of this, the scale-up of CCLMS to cover other cocoa communities is essential, which has cost implications. This calls for

- The building of technical capacity at all levels and especially at the national and district levels and the development of mechanisms that empowers a governmental agency to manage the system;
- The development of a multi-stakeholder and public-private partnership in scaling up the CCLMS and financing mechanism for the sustenance of the system;
- The development of an executive instrument for the operationalisation of CCLMS as a national framework to monitor CL and child trafficking in cocoa while linking it to other sectors;
- Identification of referral services linked it to CCLMS for the purposes of remediation or support to appropriate and/or alternative services.

As indicated earlier, cocoa production is labour intensive. CL is activity-related. The hazard to which a child is exposed is associated with environment in which the child works, the tools employed, the repetitiveness or drudgery of the work and whether there is training and supervision. In cocoa cultivation, most of the activities are repetitive and tedious, increasing the chance of a child being injured. As this study has shown, non-farm activities are positively associated with cocoa income. The above recommendations will not only promote the cocoa industry but also the non-farm sector to enhance the livelihood of cocoa communities insofar as policies that promote agricultural development also promote the non-farm sector (Gordon, 2000). This does not suggest de-agrarianisation but diversification, especially since there are no indications that farmers are leaving agriculture or that land is losing its importance for livelihoods in the Ghanaian cocoa context.

The invention of simple and safer equipment and appliances that will be affordable and easy to use will reduce the risk to health in farming, and thus reduce the need for and ameliorate the worst aspects of CL where it is used. This implies the development of simple ergonomic

tools, such as pod-pickers, for instance, to reduce strain on the back due to continuous bending by allowing farmers to stand while picking. Tools for pruning and opening cocoa pods and means of transport loads such as tricycles, would be simple advances with direct and indirect benefits, including reduction of CL. Economic incentives are suggested to induce the private sector to innovate and invest into these with rural labour as focus. This will move the cocoa production system to a more contemporary entrepreneurial farming system (Van der Ploeg, 2009) that blends the local and traditional with global and modern agricultural systems to promote both farm and non-farm activities for sustainable income. The sustainability of income and enhanced livelihood will mean that the availability of social, human and financial capital to children, thereby enhancing their development (UNICEF, 2009). This can operate to undermine the undesired aspects of CL while still allowing for the possibility of a healthy, communally contextualised valorisation of child work.

### *6.3.3. Effective Multi-stakeholder Platforms*

The emerging rural development paradigm does not only entail new agricultural practices, but also necessitates a new approach to policy-making and the steering and control of rural development (Wiskerke et al., 2003). Glasbergen (2011) suggests that the lack of strategic linkages among partnerships leads to excessive multiplicity and fragmentation of the governance system and limits the potential for up scaling. Cocoa farming is a carefully coordinated activity, so a change in one domain has repercussions for other domains, implying a need to consider multiple changes in a complex system (Leeuwis, 2004). This thesis has shown the unconnected interventions actors in the sector are implementing. These involve a package of new social and technical arrangements and practices that require multi-actor processes, which implies new forms of coordination within a network of interrelated actors.

A subtle but significant change has also occurred in organisational behaviour in government, farmers and farmers groups, business actors, NGOs and community stakeholders. There are emerging new forms of organisations at the micro-, meso- and macro-levels that encompass networks of collaboration and learning within organisations and with other stakeholder groups at all levels. The development of appropriate policy and building consensus around policy objectives is clearly of critical importance (Gordon, 2000). The global cocoa sector has recognised the critical role that public-private partnerships (PPP) could play in the on-going sustainability efforts. The endorsement of PPP during the World Cocoa Conference (WCC) in

Abidjan in 2012 and subsequently at the WCC in Amsterdam in 2014 attests to the fact that the global actors are convinced about the role enhanced partnership could play as a way forward to achieving sustainability.

### The Ghana Cocoa Platform (GCP)

In this respect, the establishment of the Ghana Cocoa Platform (GCP) by national and international actors to enhance private-public dialogue and joint-action planning to support the scale-up of sustainable production in the sector is a move in the right direction. Through regular plenary sessions, the Platform convenes all cocoa-sector stakeholders in Ghana to review key policy issues, exchange ideas, and share experiences work through voluntary technical committees organised around specific areas for intervention to address the root barriers to sustainable sector development (UNDP Green Commodities, 2013). This approach is influenced by the embeddedness of partnerships in the organisational context and in horizontal network relationships (Provan (1993) as needed at the micro-, meso- and macro-levels. This is an indication of the acceptance on the part of national stakeholders to work together. Some describe it as an alternative way of working in the Ghana cocoa landscape, where traditionally and still today COCOBOD strongly regulates the sector. The Platform is set up to:

- Build national consensus and coordination in supporting sustainable commodity supply chain and addressing economic, environmental and social concerns;
- Align key stakeholder interventions with national sector development policy/strategy to advocate for and instigate progress in a sustainable manner;
- Support a national enabling environment for private sector investment
- Design and implement sectoral transformation with key on-the-ground initiatives.

One of the fear of stakeholders is the unwillingness of COCOBOD to relax some of its control and allow the implementation of joint decision-making by stakeholders lest the Platform be seen merely as another of the number of ‘talk shops’ in cocoa circles. The goal is for it to be and be seen to be as an effective platform driving sustainable change in the sector.

The key expectation of stakeholders consulted is for COCOBOD to own the process and provide high-level leadership and support. One key element in this is to mainstream the Platform into COCOBOD structures as part of its roles and responsibilities, to ensure public-private actor dialoguing and collaborations for effective coordination and organisation

characterised by minimal transaction costs for stakeholder participation. This requires a strong management and coordinating team that ensures inclusiveness, equal opportunity of participation, balanced representation of all user groups and balance of power in decision-making among stakeholders, and it calls for inter-sectoral inputs. To ensure this further requires that Platform members contribute financially and build their technical capacity, especially producers. Specific interventions may include mapping interventions and stakeholders to identify geographic locations, similarities and differences in interventions for the purpose of effective coordination and creating synergies; the promotion of a pre-competitive funding mechanism for interventions; and the reflexive introduction of monitoring and evaluation mechanisms into the GCP itself.

#### *6.3.4. TPVCC Improvement*

This thesis asserts that TPVCC is one of the main innovations on-going in the cocoa sector in Ghana. Built on three pillars of sustainability – environmental protection, social equity and economic viability – this is becoming a vital way for regulating development in cocoa through the promotion of a range of new governance and production guidelines and code of ethics as symbols of quality and ethical practices in the global cocoa business. This is seen as filling the regulating hole in response to globalisation and the inactivity or inadequacy of the state (Ghana Cocoa Board) in regulating environmental and social relations. However, there are basic limits to the extent to which TPVCC can replace public regulations. According to Raynolds et al. (2006: 160), ‘although certification depends on market success, market success reasserts conventional: commercial expectations and challenges more progressive standards’.

The vulnerability of private initiatives to market pressures highlights the need for strong public regulations that hold the bar on social and environmental conditions. The state (COCOBOD) cannot relinquish responsibility for social and environmental regulation, but it should be able to count on constituencies consolidated by private initiatives to defend existing state regulations and to lead the search for more sustainable practices. Under these conditions, private regulatory initiatives working in tandem with public regulations can reinforce and extend social justice and environmental sustainability in production, trade, and consumption arenas around the world (Bitzer 2012). Specifically, the COCOBOD through the GCP should embark on certification interventions mapping and build on GIZ Cocoa Certification Enhancement (CCE) manual to harmonise certification standards (that conform to global

standard such as CEN/ISO global sustainability standards and national values and culture to prevent fragmentation, confusion among farmers and duplication.

## **6.4. Limitations and Recommendations for Future Research**

### *6.4.1. Theoretical Contribution and Limitations*

This thesis has attempted to integrate social, innovation, micro, meso and macro concepts to show that interdisciplinary research can provide a wider perspective. By integrating these, the study has explored new research trajectories, for instance the introduction of TPVCC as a channel for deepening the study of multifunctional agriculture which has been used widely in the context of food systems in the context of the study of commodities and innovation systems. It has shown the dynamic relationship between the global and local and how they are embed in each other leading to a process of ‘glocalisation’ (Bauman, 1998). Indeed the study using the cocoa supply chain has deepened the scholarly understanding on *global-local interactions* and how globalisation shapes and mediates local influences especially in emerging economies. The linkage between TPVCC and multi-functional agriculture has surfaced in this thesis. The potential of TPVCC as a conduit for the promotion of multifunctional agriculture introduced here creates a new research agenda that could greatly influence the future of agricultural systems.

This study has utilised the multi-level perspective (MLP) of innovations, which has mostly been applied in the industrialised world. There are only a few cases where MLP innovation theory has been applied in analysing cases in developing countries and even fewer in agricultural systems. This somewhat novel approach implies an assessment of the usefulness and applicability of a primarily Western (Northern) theoretical model in other contexts (Ombis, 2013), such as in agricultural environments in developing countries.

Various CL issues have been tackled by the analysis contained in this thesis. The study looked at the perspectives of the three key actors in the sector (farmers, government and industry) and how they are handling the issue of CL and its interrelationship with farmers’ livelihoods as identified. Bringing the three interventions together has revealed some gaps that need to be filled for more effective integration. Indeed, this study has shown that CL is very much linked with farmers’ livelihood in the sense that enhanced livelihood, all things being equal, translates into enhanced child welfare, yet the interventions in the sector have hardly linked

the two at all. Again, the study not only focused on the three actors but also on the three (micro-, meso- and macro-) levels of interactions. This has helped to deepen the understanding of the dynamism between these levels and has exposed the vulnerability of farmers, who are the pivot around which the sector evolves but the least rewarded.

#### *6.4.2. Recommendations for Future Research*

Further research on the linkages of TPC systems built on environmental, social and economic viability and multifunctional agriculture is needed to confirm the emergence of this research area and deepen its contribution to social science research. Again, the situation where TPVCC is seen as the main innovation in the cocoa sector calls for further studies to consider whether TPVCC can sustain the cocoa industry and the implications of a lack of premium, in the case where TPVCC move from the niche market or as COCOBOD puts it 'specialty cocoa' into conventional cocoa given that premium is the main motivating factor for farmer involvement in TPVCC.

The study has not considered whether the hired labour used by farmers is necessarily adult, because the focus has been on how diversification affected family CL. Available data (MMYE, 2008) gives only 1% of children who work for pay in Ghana. Further investigation into this could be warranted for future research.

Though diversification maybe horizontal or vertical, this study has focused only on horizontal diversification, that is, farmers working in other areas. Future researchers might focus on how cocoa farmers are adding value to the products they are diversifying into, since that may also influence their levels of income and also the extent of diversification.

Even though the study has given extensive description of labour and cash resources, it would have been interesting to analyse also other resources, such as land capital. In further studies, capital and land, which are obviously major and essential economic resources, could be considered. Another limitation has been the spread of respondents. Whilst this study focuses on four cocoa growing regions in Ghana, other studies could extend all six cocoa-growing regions to find out how cocoa farmers are diversifying elsewhere and make a comparative analysis for the country as a whole.

The study of the CCLM could have been more interesting if the data collection and referral aspects had been fully developed, allowing investigation of the full complement of CCLM. It



is recommended that future studies cover the three areas (monitoring process, data collection and referral system) to give insight into how these could enhance children's social situations.

## **6.5. Concluding Remarks**

Cocoa as an international commodity produced by local farmers requires constant interactions between the local and global actors to enhance horizontal rather than vertical relationships. It also calls for the integration of the modern and traditional systems to spread the benefits that accrue from the cocoa value chain. This thesis has shown the dynamic relationship between the global and local and the innovations this relationship can create. Empirical evidence has been provided to indicate how the global has had impact on the local and persistence of traditional relationships and institutions even in event of modernisation and external interventions. It posits that the existing institutions provided a framework within which growth can be initiated and fill the gap in terms of organisational performance to deal with the issue of WFCL and enhancing the livelihood of farmers.

This thesis has revealed the challenges of implementation of an ethical sourcing programme in which farmers and their practices and contexts are essential not only in terms of monitoring performance but also defining what good performance is. To achieve a more holistic compliance, there is the need for deeper understanding of the socio-cultural and economic context in which cocoa is cultivated to design more specific standards that will take into accounts the input of all key actors, including – indeed, especially – farmers.

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## Summary (English)

Dominated by transnational companies, the cocoa value-chain has been criticised for exploiting farmers and allowing the abuse of children as well as profiting at their expense. The call to be more ethical has placed responsibilities on the business actors, governments of producer countries and farmers.

In view of this, key business actors, producer governments and farmers have been involved in interventions that are expected to change the status quo and move towards a sustainable cocoa sector where the economic, environmental and social dimensions of cocoa production are dealt with. The expected outcomes are improvement in the well-being of children, improvement in the livelihood of farmers and the sustainability of the cocoa industry.

Focusing on Ghana, the overall objective of this thesis is to look at innovative initiatives that are being implemented in the cocoa sector to reduce children's hazardous work and improve the livelihood of smallholder farmers and to explore how these innovations may bring sustainable, structural change. In this regard, four specific objectives are pursued:

- 1) An examination of the potential of a child labour monitoring system intended to generate social capital to deal with child labour
- 2) An examination of the effects of a third party certification system on child labour and livelihood of farmers
- 3) Establishment of the extent of diversification by cocoa farmers and the factors that influence their decisions to diversify
- 4) An examination of the policy implications for the achievement of sustainable change.

With regard to the methodology, three case studies are carried out, focusing on the three key actors of the value chain:

- The producer-government-led Community Child Labour Monitoring (CCLM) system (Chapter 3)
- The business actors-led Third Party Voluntary Cocoa Certification (TPVCC) system (Chapter 4)
- Farmers' own efforts to diversify their income sources (Chapter 5).

The case studies are undertaken in four cocoa-growing regions of Ghana (Western, Ashanti, Brong Ahafo and Eastern). The study adopts a mixed methodology involving the combination of both exploratory qualitative and quantitative methods.

An exploratory case study is adopted as primary research to examine how CCLM is being operated and its potential to generate social capital to deal with child labour (CL) (Chapter 3). Qualitative research methods, such as participant observations, in-depth interviews and focus group discussions (FGDs) are used to examine the CCLM implementation process, the role of actors, challenges and emerging household labour re-arrangements, as well as the coping strategies being adopted by farming families in the face of their challenges. In addition, children's social situations, which include their involvement in work and attendance at school are examined using data collected from three age groups in the 5-18-year range in a CCLM beneficiary community and also in non-CCLM communities, for comparison.

In order to determine any relationship between certification and farmer's livelihood as well as labour sources (Chapter 4), the implications of TPVCC on labour and livelihood systems in Ghana are investigated. Certification systems and labelling schemes are internationally recognised mechanisms that provide benchmarks for rigorous scrutiny. This implies that, on a voluntary basis, cocoa producers become subject to the benchmarks and standards of third party auditing organisations. Among third party auditing organisations are Fairtrade, UTZ Certified and Rainforest Alliance. The ultimate aim of certification is to ensure economic, social and environmental sustainability. Whilst economic sustainability looks at increased productivity and increased price, thereby enhancing the incomes of farmers, environmental sustainability looks at utilising best practices in order to reduce the negative impact of production on the environment. Social sustainability evolves largely round the upholding of children's and farmers' rights.

Participant observations, key informant and in-depth interviews and FGDs are used to address questions related to the certification process and roles of stakeholders at micro-, meso- and macro-levels, stakeholders' perceptions of the cocoa certification system, compliance challenges and how farmers deal with them, and the extent to which certification is affecting social networks and the socio-organisational arrangement of the cocoa production landscape. They are also used to learn the extent to which certification is preventing children's involvement in hazardous activities and mobilising adult labour. In addition, a quantitative

survey method is used to provide further understanding of the results from the case studies, especially regarding children's social situations, such as school attendance.

Chapter 5 is concerned with whether the cocoa farmers diversify their income and with determining the sectors where their attention is focused in terms of farm and non-farm diversification. It looks at endogenous and exogenous resources used for diversification and their impact on the diversification decisions of farmers, income, farm yield and labour use including children's labour. Interviews, surveys, FGDs and Simpson's diversification index (SDI) comprise the main methods adopted to obtain data about diversification. The SDI is applied to ascertain the extent of diversification.

Chapter 3 finds that the CCLM is serving as a voluntary social auditing system embedded in community structures. It has empowered the community to continuously solve the problems confronting the community and children within their capacity; that experience, combined with personal relationships, norms and values are the factors that determine the extent of individual involvement. CCLM has established local and municipal partnerships and alliances that foster ownership, leading to positive changes. The results indicate that this system operates at micro-meso- and macro-levels. The CCLM enhances children's access to education, which impacts positively on their learning and development, even though there are challenges, such as an inability to monitor children at the farm level, weak referral system, weak data collection system, lack of alternative livelihood provisioning or planning for farming households and a lack of incentives for the community actors involved.

The CCLM system has three kinds of benefits for children: an expanded network available to children, improvement of school attendance and the reduction hazardous work. The rate of absenteeism in the CCLM community is found to be about half that of the community without intervention (around 8% as opposed to 15%, respectively). In addition, it is observed that although children are involved in hazardous and non-hazardous activities in all the three communities involved in the study, the extent of their involvement in hazardous activities is lower in the community with the CCLM intervention in those without.

The willingness of children to support their family farm and to be seen as a 'good child' by parents and guardians are indications that CL is culturally embedded at the community and family-level and that any intervention should be mindful of the cultural connection. This implies that children should not only be targeted for separation from work but rather offered appropriate avenues to nurture their skills through a culturally and legally acceptable

framework that provides for their involvement but with elimination of WFCL. In the absence of alternative sources of labour, economic activities and a good referral system as well as the time-bound nature of some cocoa activities, such as the gathering of beans, parents and children have adopted various coping strategies, including skipping school for work and sometimes asking for permission from teachers.

In Chapter 4, it is observed that farmers analyse, contest and adapt to the generic and numerous standards required for certification based on their grounded practice. The study reveals that the TPVCC has brought some positives into the cocoa industry of Ghana. Firstly, it has improved school attendance, reduced children's involvement in hazardous labour and made parents more responsible for their wards. Secondly, it has helped in mobilising adult labour through the *nnoboa* (mutual labour support) system, with the emergence of spraying gangs and mistletoe-cutting gangs to replace the services of school children, thereby defraying the high labour-expenditure and also holding the potential of increasing productivity if other factors, such as inputs and rainfall, are timely. Thirdly, the TPVCC has led to improvements in the health consciousness of farmers regarding harmful chemicals.

Notwithstanding these benefits, it is observed that increased yield and the premium paid for cocoa beans are the main motivating factors for farmers' involvement in the certification scheme. Hence, the main reason for farmers giving the considerable time and energy required to certification initiatives is economic rather than social or environmental, even though these are also relevant. However, in order to boost the potential of the TPVCC to lessen CL and eradicate WFCL, standards ought not to elaborate only on what should not be done but also on what *should* be done, such as HAF. Alternative labour sources should also be identified, peer monitoring and group sanctioning mechanisms should be encouraged and the broader socio-economic conditions should be improved and linked to referral systems.

The net benefit of certification remains unclear, however, due to the difficulty in conducting a proper cost-benefit analysis in the absence of full documentation of farmer-level costs and other factors. Two observations in this regard may be made, though. Firstly, the cost of managing the required internal management system (IMS) is costly at 50% of the premium. Secondly, the premium paid to farmers does not appear to be commensurate with the efforts made by farmers in their bid to adhere to standards especially when set against the costs of the extra (paid) labour required.

The TPVCC is a multi-stakeholder system that has expanded the social and economic network available to stakeholders, especially the farmer, and it is changing organisational and institutional relationships, both vertically and horizontally and at micro-, meso- and macro-levels. From these processes and relationships, a social innovation has emerged that is gradually changing the cocoa production system. The process shows three dimensions of innovative process: technical, social and organisational, which are interconnected. It is also observed that farmers groups may not have the capacity to manage an IMS and will require external support in the medium-to-long term.

Lastly, the TPVCC is built on economic, social and environmental sustainability and conforms to most of the characteristics and outcomes of multifunctional agriculture, such as the development of environmental services, landscape amenities, protection of children from agricultural hazards and promoting labour conditions.

With regard to diversification (Chapter 5), the findings show that about 70% of the farmers interviewed are moving into farm and non-farm activities. It was observed that farmers who have diversified into both farm and non-farm have a higher cocoa yield and higher average income than those who have not diversified at all or who have diversified into only one activity (farm or non-farm). This seems to be due to the fact that the farmers diversifying into both farm and non-farm activities are in the above-average income group and can therefore afford to pay for inputs, especially agro-chemicals and hired labour. It is also observed that although non-farm diversification yields more income than farm diversification, the children are extensively used, as they have to assist their parents on the farm as well as in the non-farm activities, such as trading.

In spite of the increasing importance of income and resources from non-farm activities, income from cocoa continues to determine household income as well as the demand for non-farm goods and investment in the non-farm sector. There are no indications that farmers are leaving cocoa or that land is losing its importance in its provision for livelihoods. This thesis reports a fluid movement of labour to cocoa and vice versa. Reducing owners' involvement in cocoa production means employing farm-hands so that both farm and non-farm activities can co-exist. No significant development of de-agrarianisation is witnessed.

Location, age and total expenditure significantly determine the choice of activity to diversify. There is a negative relationship between famers' expenditure and diversification; high expenditure leaves them with nothing for diversification. The age of the farmers and extent of



use of own labour for cocoa activities lead to non-farm diversification, as older people lack the will or strength to do further farming. In addition, there is found to be a positive relationship between the level of education of the farmer and diversification. Whilst the educated farmer opts for both farm and non-farm diversification, the illiterate farmer prefers either farm or non-farm diversification.

In terms of resources, the farmers rely more on endogenous than exogenous means. As a result of the inaccessibility of banks and bank loans along with high local (informal) interest rates, the farmers depend on their own generated income for diversification rather than patronising the few credit facilities in the communities. Most of the farmers invest portions of their incomes from cocoa into other sectors, but only a few invest funds from other businesses into cocoa. Most of the farmers use their own labour and that of their spouse and children in cocoa, other farm and non-farm activities as well as use *nnoboa* in the some circumstances.

Some policy recommendations are made by this thesis to stimulate the sector towards sustainability. Firstly of all, *economic incentives* are recommended because this is *the strongest driver for all stakeholders at all levels, but particularly at the micro-level*. The farmers are not forced to join any incentive-based programme, but they decide of their own free will within the available options and given the prevailing circumstances. The study observes that most smallholder cocoa farmers in Ghana are not able to diversify on a scale that will move them out of poverty; therefore, they need to be supported. Economic incentives are suggested to induce the private sector to innovate and invest in labour-saving tools to move the current peasant farming systems to a contemporary peasant (entrepreneurial) farming system that blends local/traditional and global/modern agricultural systems which promote both farm and non-farm activities for sustainable income.

Secondly, multidisciplinary and inter-sectoral inputs are required to eradicate the multifaceted problem of CL. The main reason for CL is economic, so tackling farmer poverty and health issues of children within the wider context of improvement of the communities and the broader socio-economic situation in the country are highly recommended. Improved economic well-being, it is noted, is also key to children's well-being, so an emphasis on this should be integral to any CL-reduction strategy.

Lastly, the study observes that the three case studies were unconnected, which may lead to multiplicity and fragmentation, and this, in turn, may limit the potential for upscaling of the three approaches (community monitoring, business certification and farmer diversification).

The development of programme linkages along with appropriate policy and consensus-building around policy objectives such as CCLM, TPVCC and diversification through private-public partnership is clearly of critical importance.

To conclude, this study shows the dynamic relationships between global and local innovations in relation to smallholder cocoa production in Ghana. Empirical evidence is provided to indicate how the global impacts on the local and of the persistence of traditional institutions even in event of modernisation. It posits that the existing institutions provide a framework within which growth can be initiated to fill the gap in terms of organisational performance in order to deal with the issues of CL, WFCL and enhancing farmer livelihood. The adoption of economic incentives and multi-stakeholder collaboration are needed for a more sustainable cocoa sector.

## **Summary in Dutch (Samenvatting)**

## Training and Research Plan

Rita Owusu-Amankwah

Wageningen School of Social Sciences (WASS)



Wageningen School  
of Social Sciences

### Completed Training and Supervision Plan

Name of the learning activity	Department/Institute	Year	ECTS*
<b>A) Project related competences</b>			
Food Supply Chain Management	WASS	2011	2.5
Qualitative Methodology & Economics	CERES	2010	1.5
Quantitative			
A Practical Course on the Methodology of Field work	CERES	2011	2.5
Research Proposal Writing	WUR	2010	6
Quantitative Data Analysis for Development Research	CERES	2010	1.5
Project & Time Management	WGS	2011	1.5
<b>B) General research related competences</b>			
Orientation course	CERES	2010	10
Investigating Technology: Politics, Power and the Social Shaping of Technology	WASS	2011	4
Leadership for Sustainable Innovations	Utrecht University	2010	5
<b>C) Career related competences/personal development</b>			
Convention on the Right of the Child: Why is it Time to Make it Work for all Ghanaian Children	Ghana Human Rights & Administrative Justice	2010	1
Cocoa Certification - Opportunity to Improve Producers Access to Agricultural Research and Best Practices	Fair trade Africa Conference	2011	1
<b>Total</b>			<b>36.5</b>

\*One credit according to ECTS is on average equivalent to 28 hours of study load

## **About the author**

Rita Owusu-Amankwah is a Ghanaian born on 4th March 1968. She holds a master's degree in Economics/Industrial Management from the Kwame Nkrumah University of Science and Technology (KNUST) in Ghana and a Post-graduate Diploma in Organisation Development (OD). She also has a B.A. Degree in Social Sciences (specialising in Sociology and Economics) from KNUST, Ghana.

She is a professional Development Practitioner, with expertise in rural development, project development and coordination, research, training, institutional development, business development, monitoring and evaluation, and has strong facilitation and trainer-of-trainer skills.

She has over 17 years' experience in the cocoa sector. She has led several development interventions to improve the livelihood of producers and their children. These include Ghana Programme for the Elimination of Child Labour in Cocoa (NPECLC), ILO/USDOL West Africa Cocoa Commercial Agriculture Project to combat Hazardous and Exploitative Child Labour (WACAP) and the Ghana Cocoa Platform.

She has also worked with organisations such as Kuapa Kokoo Farmers Union, where she started her career, the Centre for the Development of People (CEDEP), International Labour Organisation (ILO), United Nations Development Programme (UNDP) and Ministry of Manpower, Youth and Employment.

Rita started her PhD at the Rural Sociology at Wageningen University and Research Centre in 2010. The output of this great experience is this thesis. The study was a multi-disciplinary analysis of innovative interventions geared towards improving the welfare and development of children as well as livelihood of farmers. Rita's main research and career interests are child development, livelihood improvement, business development, rural development, training and institutional strengthening; value-chain analysis and project development and implementation; providing leadership for multi-stakeholder process; and monitoring and evaluation.

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