



Gaining neighbours or disruptive factors – what happened when large-scale land-based investment in the Ghanaian oil palm sector met the local population on the ground?

By: Susanne Johanna Våth

Paper presented at the International Conference on

Global Land Grabbing II

October 17-19, 2012

Organized by the Land Deals Politics Initiative (LDPI) and hosted by the Department of Development Sociology at Cornell University, Ithaca, NY.

Gaining neighbours or disruptive factors – what happened when large-scale land-based investment in the Ghanaian oil palm sector met the local population on the ground?

Susanne Johanna Vāth^b

If land transactions can benefit host countries depend on the governance system, the so-called rules of the game and their enforcement. As investors often face a weak institutional environment in target countries, outcomes for the local populations frequently seem to be arbitrary and vary. This study draws on past experience in the Ghanaian oil palm sector. Based on qualitative and quantitative field research conducted in 2010/ 2011, the effects of a land-based large-scale investment on people who received compensation, on neighbouring communities, on permanent and casual workers as well as on contract farmers are analysed against a conceptual framework for land acquisitions inspired by new institutional economic thoughts.

Key words: large-scale investment in agriculture; Ghana; new institutional economics; social differentiation

Introduction

From the perspective of standard economic theory, large-scale investments in agricultural land seem to be a perfect match of demand and supply: Public and private investors from all over the globe request large land tracts driven by factors like population growth, food security, changing diets, desertification, urbanisation, water shortages, increasing demand for raw materials, forest products, ecosystem services, eco-tourism, limited fossil energy stocks, and speculative investment purposes (Cotula et al. 2009, 2011, von Braun and Meinzen-Dick 2009, Deininger and Byerlee 2011). At the same time governments and local elites from developing countries are willing to offer the production factor land in order to foster commercialisation of their agricultural sectors, to overcome persistent underinvestment in the rural economies, and to increase employment, infrastructure endowment, technology transfer as well as tax income (Cotula et al. 2009, Görge et al. 2009).

^a This draft was prepared for the International Academic Conference on 'Global Land Grabbing II' 17-19 October 2012 at Cornell University. Please do not cite without permission of the author.

^b Institute for Co-operation in Developing Countries, Philipps-University Marburg, Germany. Contact: vaeth@staff.uni-maburg.de. This article has been produced with the financial assistance of the sector project 'Land Policy and Land Management', a planning unit of the German Agency for International Co-operation (Deutsche Gesellschaft für Internationale Zusammenarbeit – GIZ). The underlying field research was supported by the "Market-oriented Agriculture Programme" (MOAP) in Ghana, a joint programme of the Federal Republic of Germany and the Ministry of Food and Agriculture of the Republic of Ghana (MOFA). The content of this document can under no circumstances be regarded as reflecting the positions of GIZ, MOAP, and MOFA. I thank Michael Kirk, Simone Gobien, Kerstin Nolte and Lawrence Brown for their valuable comments as well as Baba Adam, Eric Johnson, Benjamin Kretzer, Bertolt Wenzel and Said Ikram for their support in data collection and data processing.

That the outcomes of such seemingly perfect matches are often rather disappointing is highlighted on a weekly basis by the 'farmlandgrab'-newsletter of the non-governmental organisation GRAIN (www.farmlandgrab.org). Apart from critical media reports, several scientific studies report mixed or predominantly negative outcomes (for Ghana: Amanor 2012, Schoneveld et al. 2010, Tzikata and Yaro 2011, Wisborg 2012), but few studies also put an emphasis on positive effects (for Ghana: Boamah 2011).

This wide range of possible outcomes reveals the simplistic neoclassic view as a too short-sighted interpretation of large-scale land acquisitions, whereas the field of the 'New Institutional Economics' provides more appropriate tools for analysis. Therefore, this paper applies Williamson's (2000) 'four levels of social analysis' and elements of Ostrom's (2005) 'Institutional Analysis and Development Framework' in its conceptual framework to provide an answer to the first research question: Why do outcomes of land-based large-scale investment vary?

In order to shed light on the mechanisms which produce a particular outcome the underlying case study design allows 'an intensive study of a single unit with an aim to generalize across a larger set of units' (Gerring 2004). To this effect, long-term impacts for different population groups – the so-called 'within units' – of the investment case 'Ghana Oil Palm Development Company' – here the 'single unit' according to Gerring (2004) – are analysed with a special focus on the second research question: How do outcomes vary across different population groups?

The analysis is based on field research conducted in 2010 and 2011 in Accra and in the Kwaebibirem District in the Eastern Region of Ghana where the investment is implemented. This study combines 33 semi-structured expert interviews with a wide range of stakeholders at the national and local level,³ and a household survey (N= 1367) with farmers under smallholder contract (who received a plot within the concession for oil palm cultivation as part of compensation for earlier land losses), outgrowers (who cultivate oil palm on contractual basis on land they own or on plots for which they hold at least 25 years land use rights)⁴, independent farmers (without any contractual arrangement), and plantation workers in the investment region. The household data is complemented by a community survey (N= 49) which collects village information in the form of a group interview with a member of the royal family, a representative of the village council (e.g. assemblymen) and a leading farmer for each village. Moreover, 12 focus group discussions are a focal point of this analysis, as they were conducted among various sub-groups of the local population who were affected differently by the investment (e.g. groups of smallholders, outgrowers, the youth, the vulnerable, the better-off etc.).⁵

In the remainder of this paper, first the conceptual framework is developed to sensitise for varying outcomes of large-scale investment in Ghanaian land. Second, the two land acquisitions of Ghana Oil Palm Development Company are presented in light of the legal framework in Ghana. Its consequences in retrospective are revealed by the following section. Thereby, social differentiation with regard to long-term outcomes is discussed and systematised. Finally, findings are summarised in a conclusion and allow deriving generalised recommendations.

³ For a detailed overview on expert interviews conducted, please refer to appendix 1.

⁴ In order to prove secure land use rights for not owned land, the landlord has to agree to the outgrowers contract by signing it.

⁵ For a detailed overview on focus group discussions conducted, please refer to appendix 2.

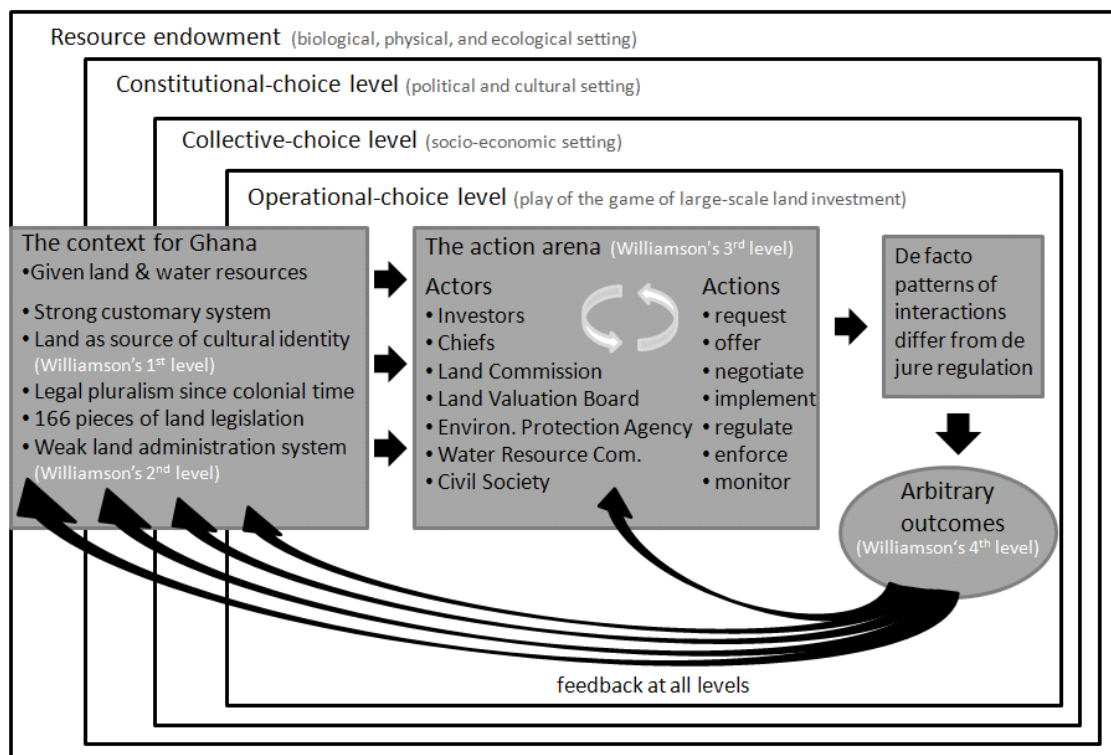
A conceptual framework on land acquisitions

According to Eggertsson (2005) outcomes cannot be improved without understanding the structure that produces them. In order to understand the mechanisms generating a particular outcome and moreover the reasons why outcomes of large-scale investment in agricultural land vary, this paper draws according to Bates et al. (1998) on analytical narratives as an important technique for analysing the structures of complex action-outcome linkages and their consequences.

Thereby, Williamson's (2000) four levels of social analysis build the entry point to the systematic thinking of institutions and institutional change that define 'the deliberate incentive structure of a society' (North 2005). Williamson's first level consists of informal institutions like norms, customs or traditions which are quite persistent in societies. Usually, they change at a very slow pace as cultural values are modified over generations. The second level comprises the legislative framework, also called the formal institutions. As explicit rules on paper they are rather dynamic and therefore called 'shifting parameters'. Even though changes at this level can theoretically occur over night, far-reaching institutional reform processes in parliamentary systems are quite time intensive due to technical and political validation. The third level determines the 'play of the game', i.e. the interactions of actors within the frame of informal and formal institutions. Therefore, the first and second levels are also called the governing institutions, while the third level can be referred to as the governance system. Finally, Williamson (2000) reserves a fourth level for marginal analysis using neoclassical economic or agency theories but this lies beyond the scope of this study.

This analytical differentiation enables a more rigorous analysis of the outcomes of large-scale investment when introducing exemplarily a conceptual framework on varying outcomes for the country case Ghana. Figure 1 helps to disentangle the different levels of governance, and structures the 'play of the game' of large-scale land investments.

Figure 1: A Framework on varying outcomes in conjunction with large-scale land acquisitions (own source, modified from Ostrom 2005, Di Gregorio et al. 2008)



According to Ostrom's (2005) Institutional Analysis and Development Framework, **action arenas** are the focal units of analysis. Hence, any particular action arena can be understood as a set of dependent variables (Ostrom 2005). This study scrutinises the action arena which is equivalent to Williamson's third level in conjunction with large-scale land transactions at the **operational-choice level**. This means it looks at the 'room of possibilities' when implementing a land deal. The variables which affect the structures of the action arena are threefold and summarised by Ostrom (2005) as the '**context**'.

Firstly, the action arena is influenced and confined by the **resource endowment**, i.e. the biological, physical and ecological setting of the surrounding environment (modified from Ostrom 2005). In the case of large-scale land investment, this covers given land resources and associated water bodies in particular ecological zones (i.e. the coastal zone, the forest belt, and the savannah for Ghana).

Secondly, the political and cultural setting, which can be summarised as the **constitutional-choice level**, structures the action arena (modified from Ostrom 2005). The name highlights that this setting has historically grown and can be objective to change. It defines the fundament of a society and consists of informal institutions as mentioned in Williamson's first level. In Ghana the constitutional-choice level incorporates the idea that land is a source of cultural identity (Kwadwo 2004) which belongs to the dead, the living and the yet to be born (Osei 1998, Mends 2006). Moreover, society is based on a strong customary system which governs day-by-day life (Anyidoho et al. 2008, Kwadwo 2002). Understanding the constitutional-choice level in its narrow sense, it also consists of formal institutions on which the societal consensus is based, as for instance the constitution (Republic of Ghana, 1992). In Williamson's terminology this would be the second level.

Thirdly, the socio-economic setting or the so-called **collective-choice level** affects the structure of the action arena (modified from Ostrom 2005). This level consists of the rules defining the relationship among participants in the action arena. In the case of large-scale land acquisitions in Ghana such structures are given through legal pluralism which was introduced in colonial times (Amanor and Ubink 2008, Aryeetey et al. 2007). It led to 166 different pieces of land legislation (Quaye, 2006), and consecutively to the weak land administration system of the present day (Ubink and Quan 2008, Kasanga and Kotey, 2001). With regard to Williamson's (2000) four levels, the focus is put on the second level of formal institutions, although similar to the constitutional-choice level; this is not a perfect equivalent. The collective-choice level also comprises elements of informal institutions (Williamson's first level), as for instance with regard to traditional procedures followed in the course of the consultation process for drafting a comprehensive Land Bill (Interview G15, G29)⁶.

By introducing the context conditions, it becomes obvious that this conceptual framework consists of different **nested levels** (i.e. the resource endowment, the constitutional-choice level, and the collective-choice level). They frame the core of this analysis: the so-called operational-choice level where the action arena for large-scale land acquisitions is placed.

Before looking at the action arena in detail, two characteristics which derive from these multiple levels of analysis are highlighted: (i) The rules (or their changes) that structure the action at one level (for this study: at the operational-choice level) occur within a presently 'fixed' set of rules at the deeper levels (collective-choice and constitutional-choice levels) (Ostrom 2005). And (ii) the deeper

⁶ For a detailed list of all interviews conducted, please refer to appendix 1.

the level, the more time-intensive and more costly are changes of rules as mutual expectations among actors are based on deeper-level regulations (Ostrom 2005).

Moreover, the application of Williamson's (2000) differentiation of four levels of social analysis reveals that constitutional-choice and collective-choice levels are governed by both, first and second level institutions. This perspective enriches the analysis by disentangling the relationship between informal and formal institutions in conjunction to slower and faster institutional changes. The pace of institutional change does not strictly follow the rule that informal institutions change always slower than formal institutions as suggested by Williamson (2000). It is rather that institutional change is related to the institutional mix with regard to Ostrom's different levels: if the share of informal institutions is higher, changes tend to take place slower than in cases where the share of formal institutions predominates.

However, Williamson's third level, 'the governance system', is not limited to the 'play of the game' of large-scale land acquisitions at the operational-choice level. Apart from the focal unit of analysis for this particular study, Williamson's third level can also be positioned in Ostrom's collective-choice and constitutional-choice level. This is the case whenever actors engage in 'level shifting' of the action arena, and contemplate how to modify any of the contextual constraints on the operational-choice (or on the collective-choice) level (Ostrom 2005).

With this extensive knowledge of the context an in-depth analysis of the **action arena** at the operational-choice level is possible. The action arena itself consists of participants, 'the actors', and an action situation which allows different actions (Ostrom 2005). Possible **actions** with regard to large-scale land acquisitions are requesting land, offering land, expropriating land, negotiating transactions, implementing land acquisitions, regulating the acquisition process, enforcing contract regulations and monitoring. Associated **actors** to this unpacked action situations comprise investors, chiefs or other traditional authorities, and government officials of regulatory bodies like a Land Commission, a Land Valuation Board, an Environmental Protection Agency, a Water Resource Commission, as well as the civil society.

These actors are assigned to different positions equipped with varying degrees of information about and control over the particular action situation (Ostrom 2005). Hence, the power constellations inside the action arena affect the actions which in turn feedback on the actors. At the same time, the set of possible actions for the action arena is determined by the context. Thus, the outcomes at the operational-choice level are produced by **patterns of interactions** originating from actors who are linked to actions within the action arena and are influenced by the contextual factors (i) the resource endowment, (ii) the constitutional-choice level, and (iii) the collective-choice level.

In the case of large-scale land investment in Ghana, empirical evidence reveals **varying outcomes** among and within different investment cases. Against the presented conceptual framework this can be explained as follows: In a context of weak land legislation with inherent legal pluralism and a rather poor land administration system, the collective-choice level is characterised by ambiguous rules. Even worse, the guidance given by the constitutional-choice level is not clear. The strong customary system has a huge influence on the land governance system; although, it is recognised by the constitution, Ghana lacks a broad societal consensus between tradition and modernity at the constitutional-choice level. Furthermore, the resource endowment is not well understood. Due to the lack of a complete land registry and documentation at the local level, the amount of available

land for large-scale investment projects is unknown. Thus, awareness of potential resource scarcity is not common knowledge among actors. Considering the fact that the context frames the underlying rules for regulations at the operational-choice level, it is no surprise that the patterns of interactions which are produced by the action arena de facto differ from those evolving when applying the de jure rules.

As rules at all levels are neither clearly defined as formal institutions (Williamson's second level) nor harmonised with widely agreed informal rules (Williamson's first level) they cannot give uniform directions resulting in an unambiguous pattern of interactions. Instead of structuring the operational-choice level for large-scale land acquisitions, they encourage acting in the shades of grey which leaves room for rent-seeking. The consequences for the action arena are obvious: different actors use their power with regard to natural and financial resources, access to information or control over other actors to reach their goals. If this is in line with common welfare, also depends on the personal motivation of the actors. Therefore, outcomes are finally arbitrary and vary.

Whichever outcomes of large-scale land investments occur, they produce **feedbacks** at all levels. In the action arena at the operational-choice level they lead to adjustment, confirmation or questioning of the actions (depending on the different actors). At the deeper levels (collective-choice and constitutional-choice level) arbitrary outcomes reveal institutional inefficiencies. In the case of Ghana this resulted, for example, in a far-reaching institutional reform process initiated by the National Land Policy (Republic of Ghana 1999) and supported by a Land Administration Project (Aryeetey 2007). Besides the third draft stage of the Land Bill (Republic of Ghana, Draft as of 2010), a new Land Use and Spatial Planning Bill (Republic of Ghana, Draft as of 2011) is currently in consultation process. Moreover, negative outcomes of investment projects, for instance when chiefs gave out land without proper consultation of the local population or when little accountability on the use of revenues occurred, lead to increasing criticism of the customary system and consecutively to stronger pressure on informal institutions (Williamson's first level). Both, institutional reform and criticism of the customary system might be interpreted as level shifting according to Ostrom (2005).

This conceptual framework for large-scale land acquisitions which is exemplarily applied to Ghana, offers so far an answer to the first research question why outcomes of land-based large-scale investment vary. Thereby the focus lies on a general variation among different investment cases. In addition to that, the conceptual framework enables also a better understanding of variation within a particular investment case. Considering the fact that different population groups are represented in different ways by the actors in the action arena, it is obvious that this leads to social differentiation. For instance, as chiefs, in their position as traditional leaders of the local population and as landowners, are important actors in the action arena, they have the possibility to lobby for different population groups. Thereby, it is likely that they bargain rather for their people, the inhabitants of old-established villages, than for the settlements of migrant farmers. Without going into detail at this stage, the next section introduces a selected investment case to set ground for scrutinising how outcomes of a particular investment case vary.

The land acquisitions in retrospective⁷

Ghana Oil Palm Development Company (GOPDC) is the biggest palm oil producer in Ghana and the largest employer in the Kwaebibirem District (Eastern Region). It was established in 1976 as a state-owned company. In 1995, in the course of the liberalisation wave, it was divested to the Belgian investor Société d'Investissement pour l'Agriculture Tropicale (SIAT) (GOPDC and SIAT, online). Today, GOPDC holds two land leases, one for the so-called Kwaë concession and another for the so-called Okumaning concession.

The Kwaë concession

The Kwaë concession was acquired in the process of privatising the formerly state-owned GOPDC. Thereby, the initial 50 years lasting leasehold (Registered Leasehold No. 1258/1976) between the state and the 'old' GOPDC was transferred to the new investor. Out of its 8,359 ha concession GOPDC abstained from the use of 2,343 ha. This is due to the fact that the original land acquisition cohered with serious governmental failures.

In order to foster economic development in the region, the land was expropriated in the public interest from the stools (i.e. chieftancies) of Kwaë, Asuom, Anweam, and Mintah under the State Lands Act No. 125 by the Government of Ghana (Interview G7 and G14). After more than three decades an exact reconstruction of the acquisition process is not possible, but anecdotal evidence revealed that officials behaved arbitrarily and that compensation was rather erratic (Interview G7).

At the beginning, only few land users in the rarely populated area had to give way for the construction of a nursery, housing structures and the mill (Interview G8, FGD12). Under military rule, they were forced to leave the centre of the concession from where the expansion over the next decades started. In the course of spreading oil palm plantations, more densely populated areas closer to the surrounding villages were affected and communal forest resources, used for hunting, collection of fire wood, snails or herbals, dramatically declined (FGD 11 and 12).

Thus, the number of those losing their land increased and threatened social peace in the area. As part of compensation and aiming at economic integration, this led to the establishment of smallholder schemes. With World Bank support demarcated plots of the concession were allocated for oil palm cultivation to those who had lost their farm land (Interview G7 and G8, FGD12).

Nevertheless, the Kwaë concession could not be brought under full cultivation. Even though the privatised GOPDC pays ground rent for the whole concession and thus has the legal right to use the total land, further expansions were stopped because this was the only way to maintain operational peace with GOPDC's neighbours.⁸ Otherwise the destruction of the Apam shrine (a cultural heritage) and old-established villages would have been inevitable (Interview G7).

Alternatively, oil palm production was augmented through the expansion of outgrower schemes, which involves contracting oil palm farmers who could prove secure land use rights for at least 25

⁷ Parts of this section are similarly summarised in Nolte, K. and Vâth; S.J. (2012) 'The interplay of land governance systems and large-scale agricultural investments: Evidence from Ghana and Kenya', a draft prepared for the PEGnet conference 6-7 September 2012, Dakar/ Senegal.

⁸ Until recently 28 land conflicts are under dispute in court and not yet solved. They are related to smaller land tracts and can be seen as rather private concerns between GOPDC and individuals. The majority of neighbours live in operational peace with GOPDC (FGD G11 and G12).

years (Interview G5 and G6)⁹. As another mean to assess additional fresh fruit bunches, own production, smallholder and outgrower schemes were supplemented by third party purchases from independent farmers. This enhanced the economic integration of the local population, but was not sufficient to operate the mill at full capacity. Therefore, GOPDC additionally acquired a second concession.

The Okumaning concession

The Okumaning concession covers 5,205ha and was leased in the year 2000 for 50 years to GOPDC (Registered Deed RE 2538/2008). In contrast to the Kwae concession, it was originally acquired under the Administration of Lands Act No. 123 from the Okumaning, Takworase and Kusi stools to set up the state-owned enterprise 'State Oil Palm Plantations' in 1976. Whereas acquisitions under Act No. 125 (as Kwae) are ultimately transforming customary land to public land, acquisitions under Act No. 123 (as Okumaning) create double structures which complicate matters (Republic of Ghana 1962a, 1962b).

In such cases, the allodial titles (i.e. the overall ownership) stay with the chiefs, but the management functions are held by the state that finally leased the land to GOPDC. Consequently, (i) the chiefs remain entitled to ground rents and (ii) GOPDC resumes assets and liabilities which includes the duty to compensate people, who lived and farmed at the concession (according to Act No. 123).¹⁰

This setting in combination with the weak land governance system causes several challenges. As GOPDC leased the land from the Government of Ghana, it pays ground rent to the Lands Commission and not directly to the chiefs (Interviews G7, G9 and G20), but according to the Office of the Administrator of Stool Lands Act (OASL) No. 481 (Republic of Ghana, 1994), the OASL is the only mandated institution to collect and to disburse rents on customary land.¹¹ This institutional overlap reveals irregularities and a lack of transparency. Thus, it is no surprise that the chiefs are not satisfied with the status quo. However, within the frame of its corporate social responsibility policy, GOPDC negotiates with the chiefs to enhance the welfare of the communities and also to address partially the needs of traditional authorities (whose complex role will be picked up again later) (Interviews G7 and G8).

More serious challenges arouse with regard to the duty to compensate. In the days of 'State Oil Palm Plantations' the concession was even less populated than the Kwae concession and instead of old-established villagers only few migrant farmers settled in the forests. Irregularities with regard to compensations were similarly widespread but in contrast to Kwae, expansions of oil palm plantations within Okumaning concession were very limited. Hence, large land tracts remained fallow and attracted more migrant farmers over the years (Interview G1, G7, and G14).

⁹ Secure land use rights either means owning land (customary freehold) or having a long term sharecropping arrangement. In the latter case, also the landlord has to agree to the outgrower contract by signing it.

¹⁰ GOPDC has to pay ground rent to the OASL which is mandated to disburse the money among the chiefs, the traditional council, and the district assembly. However, due to coordinative failure of state institutions GOPDC is paying so far to the Lands Commission. According to interview G23 and G20, there is a new agreement between the Lands Commission and the OASL that the former shall collect the rent and transfer it to the later for disbursement. Thereby the 10% administrative fee shall be shared equally between the two institutions.

¹¹ According to Act No. 481, the OASL shall collect the ground rent and keep 10% as administrative fee; the remaining shall be shared among the chiefs (25%), the traditional council (20%) and the district assembly (55%). A common claim of the chiefs is that their revenue is too small. Therefore, they are often interested in direct arrangements away from regulatory bodies.

When GOPDC took over, it offered a resettlement plan to these migrants; but they opted against it and favoured cash compensation because as foreigners in the area they did neither have social ties nor ancestral rights to the land (AY & A Consult 2007, Interview G3, FGD G4). Without statutory or customary land use rights, migrants were only entitled to compensation for their housing structures and crops, which were accordingly valued by the Land Valuation Board (LVB) (Interview G1, G2, G3, G7, G14, and FGD G4-G10).¹² Due to the lack of a legally implemented provision of appropriate compensation to restore their livelihoods, the migrants felt cheated by GOPDC and LVB as payments were not sustainable (FGD G1-G8, and G10). Moreover, the whole process, ranging from information and sensitisation to valuation and compensation, was heavily criticised. Instead of systematic information, participants of focus group discussions revealed various channels how information about GOPDC's land acquisition was passed on.

'Initially, there was a rumor before we were informed about their [GOPDC's] coming by the chiefs. They told us that a new company will take over from "State farms"' (FGD G8).

'One day, the Chief told us to meet with the leaders of GOPDC who then informed us about their intention... They promised us a better wellbeing' (FGD G1).

'Nobody came to inform us. We saw some people demarcating the land, so we went to enquire from them before we were told that GOPDC has taken over' (FGD G9).

In addition, time frames between valuation and payments were totally unclear and contravened the legally guaranteed entitlement to 'prompt, fair, and adequate compensation'¹³ as displayed by the following statements:

'The land was evaluated in 2005; the payment was made in 2009. So between 2006, 2007, and 2008, we weren't farming anymore and the payment wasn't made' (FGD G5).

'The most painful of all, after we had tapped the palm trees it lasted for about five years before they started to use the land... If they had told ... we could have farmed on it until then' (FGD G6).

Great frustration was further enhanced given the inability of the LVB to disclose amounts for the various crops (FGD G2, G3-G7, and G10). Thus, farmers were left without knowing what to expect and statements like the following were plenty.

'Moreover, we asked them to let us know how much they will pay for an acre. They were unable to tell us. They compensated us with the amount of their choice' (FGD G4).

Even though GOPDC followed the legally required procedure (Interview G16 and G20), the fact that checks only stated the aggregated sum enhanced further tension. However, to get the full picture it must be also highlighted, that the role played by some traditional authorities was inglorious. With a Janus face, they received their portion of the ground rent from GOPDC via government channels,

¹² The migrants do not have customary rights because they are not considered as indigenous in the area, even though some migrant villages are older than 50 years by today. Before the land was vested, they paid the chiefs for land use according to custom. When 'State Oil Palm Plantations' took over, they relocated to areas in the concession which were not under cultivation yet. As chiefs partly ignored the fact, that the government acquired the management functions, they continued to collect rents from the migrants, but without protecting them.

¹³ This originates out of the constitution Chap. 5, 20(2) (Republic of Ghana 1992).

while at the same time they ignored the acquisition under Act No. 123 and rented the land according to customary rules out to migrants (FGD G4, G5, G7, & G9).

In general, the chiefs are very powerful actors and according to custom they are highly appreciated (Interview G15). Their discourse with GOPDC on corporate social responsibility activities as well as lobbying for oil palm farmers is highly welcomed (Interview G1, G2, and G14), but the fact that negotiations lack accountability and that some chiefs misused their position to bargain personal benefits led to criticism (Interview G7) as expressed in the following statement:

'If you wanted to go somewhere, and you don't know the place, you consult with somebody who leads you. In this regard, the chief has misled; the investor could not know' (FGD G4).

Overall, this case reveals the challenges of large-scale investment in agricultural land within an environment of a weak land governance system. Moreover, it shows that investors are also likely to inherit land disputes and overlapping claims emanating from earlier acquisition activities. Thus, widespread resentments are a logical consequence and are also predominant in the case of GOPDC (FGD G1-G12).

However, the fact that GOPDC's nucleus-estate system incorporates more than 2,000 plantation workers, 200 smallholders and 7,000 outgrowers calls for a deeper analysis of its outcome before over-hasty assessment. Therefore, the next section delivers a detailed assessment of outcomes with regard to different population groups.

Outcomes: variation and social differentiation

An overview of general outcomes

To get a first impression of people's perception of GOPDC's performance, quantitative data of the community survey is helpful. It reveals that 22% of the 49 interviewed village representatives agree without hesitation that their community profits from the investment. A share of one fifth does not speak of a general success, but considering the widespread resentments with regard to the original land acquisition, these interviewees still highlight amelioration for some villages.

In a more indirect way, interviewees were asked if the living conditions in their villages changed over the last decade. 65% state that they experienced an improvement, while 15% observe no change, and 20% report a decrease. Given the absence of special government initiatives, development assistance or NGO projects in 45 out of the 49 communities, GOPDC – as the biggest investment project in the area – might have some impact on these assessments. Although life improved for roughly two thirds, the investment is also likely to have contributed to deteriorations for one fifth.

Reported outcomes are thereby manifold. On the question 'What are the three main weaknesses of GOPDC?' The most prominent answers at community level were: GOPDC failed

- to build a school or to provide education for children and scholarships (28 cases),
- to construct or to maintain roads (20 cases),
- to help solving water problems (10 cases),
- to help with or to provide social amenities (9 cases), and/ or
- to provide electricity or electricity poles (9 cases).

These statements do not reveal that the investment directly harmed the communities, but rather highlight that expectations have not been met. Unrealistic expectations are a common problem of large-scale investment projects. They often arise as a by-product in the action arena and are a consequence of single actors' motivation. In particular, business plans of investors try to balance the entrepreneurial interest of profit maximisation with positive spill-over effects for the local population to enhance public acceptance as well as to access support from multilateral financial institutions or developmental initiatives. Additionally, the rhetoric of politicians (at national and local level) suggests development of the earlier neglected agricultural sector and remote areas in order to bind or attract rural voters. Finally, the rhetoric of traditional elites can also contribute to unrealistic expectations when promises are made (i) to justify personal gains in conjunction with investment projects and (ii) to defend the customary system as a facilitator for local development (against the pressure from the modern system).

Even though GOPDC addresses aspects like education, health, water, electricity or road maintenance in its corporate social responsibility (CSR), the top-five answers on the question 'What are the three major strengths of GOPDC?' underline that community representatives see the benefits of the investment not in such activities but rather in:

- the introduction of the oil palm business in the area (39 cases),
- the improvement of the living standard (through buying from farmers) (19 cases),
- the distribution of oil palm seedlings to farmers (14 cases),
- the creation of employment (14 cases), and/ or
- the introduction of smallholder and outgrower schemes (9 cases).

Hence, GOPDC is rather recognised as a motor for economic development in the area. Taking the focus group discussion into consideration, this impression gets widely confirmed (FGD G1-G3, G7, G8, and G10-G12). Although resentments are prevalent (FGD G1-G12) and outcomes fall short of high expectations qualitative data reveals positive outcomes.

Thus, people cannot deny benefits like employment creation (FGD G1-G4 and G7-G12). In contrast to the widespread claims by the community representatives regarding infrastructural improvements, discussions in focus groups highlight that several people take advantage of better road infrastructure (FGD G1-G4, G7, G8, and G10-G12), of support to get electricity (FGD G1-G4, G7, G8, and G12), and of improved health and schooling facilities (FGD G1-G4, G7, G8, and G10-G12).

The fact that weaknesses highlighted by community data are in contrast to benefits mentioned in some focus group discussions reveals a variation of outcomes among groups. To get an idea of the causes of such differentiation a deeper analysis of the FGDs is necessary. Before delving into specifics, general negative outcomes which also partly vary among FGDs are summarised.

Claims reach from decreasing access to agricultural land (FGD G1-G12), increased food prices on local markets (FGD G1-G12), low and late compensation (FGD G1-G10), low wages (FGD G1-G3, and G11), and casual contracts (FGD G1-G3, G5, G7, and G11), to low prices for fresh fruit bunches (FGD G11

and G12) and too little corporate social responsibility (FGD G1-G12).¹⁴ They reveal that not only expectations remain unmet, but also give an idea how the investment partially led to deteriorating living conditions (e.g. through increased food prices and decreased land availability).

Outcomes in detail: insights of single focus group discussions

In order to differentiate among various population groups and varying outcomes, the selection of focus groups tries to capture a wide range of population sub-groups neighbouring the investment. Only their in-depth analysis leads to an answer of the second research question: 'How do outcomes vary?'

Okumaning village: mixed outcomes for nearest neighbours

As a direct neighbour of Okumaning concession, Okumaning village is heavily affected by GOPDC's expansions over the last years. In order to reduce group heterogeneity which often hampers active participation, three focus group discussions were selected according to participants' level of wealth. Thus, gender-mixed groups of a vulnerable cohort, an average wealthy cohort, and a rather better-off cohort discussed the development of their village of the last forty years, the implementation process of the investment project and its influence on the community.¹⁵

Among all groups employment creation, access to electricity, the setting up of a clinic by GOPDC and improved roads are highlighted as positive impacts, while loss of agricultural land and in this conjunction increasing food prices are identified as heaviest burden (FGD G7, G8 and G10). The degree how single groups are affected thereby varies. For example one participant of the vulnerable group stated:

'I think the coming of GOPDC did not help the community. What is the use of electricity power if you don't have money, you can't even pay for the electricity bills' (FGD G7).

At the same time others could take the opportunity to make money for example out of the use of refrigerators (FGD G10).

One interviewee thinks that elders and chiefs are the ones who benefit most from GOPDC (FGD G10) which is in line with deviations from the conceptual framework developed earlier. However, all groups agree that employment possibilities are beneficial, especially the youth who has the strength to do plantation work (FGD G7, G8 and G10).

With regard to the loss of land all groups are differently affected as not all people had their farms on the concession. Nevertheless, people from the poorest group were most seriously influenced because they cultivated overall fewer farms and were therefore more likely to lose all they had at once. As highlighted in the previous chapter, compensations were insufficient to restore livelihood, thus it is obvious that the group of vulnerable people is worse-off. While for some the compensation was only sufficient to settle debts (FGD G7) and to further their wards' education (FGD G7, G8 and G10), others were able to rebuild houses, and some could invest for example in productive assets like cars (FGD G8).

¹⁴ The perception of too little corporate social responsibility is a highly debated issue. Thus, it is to question to which extent the development of social and physical infrastructure belong to the duties of an investor. However, it reflects the predominance of unrealistic expectation.

¹⁵ For more details on group selection, please refer to appendix 2.

Overall, FGDs in Okumaning report mixed outcomes, where the average group emphasise most on the pros. The poorer group seems to benefit least from the positive effects and carries hardest on the burdens, but also the better off group highlights pros and cons. They see their 'room to manoeuvre' decreased through the coming of GOPDC. Not only that they lost big farms, they also suffer most from the decline of the markets for their remaining produce (FGD G10). Thereby, diminishing markets are caused by outmigration due to the displacement of migrant settlements which were inside the concession (FGD G10).

Congo village: lost in compensation

The villages Agye Badu and Dwenase were migrant villages which have been destroyed in the course of oil palm expansion. Due to the fact that they are not in existence anymore it was impossible to capture the perception of a mixed group of villagers as most have relocated to their hometown in other regions of Ghana. Nevertheless, discussions with people who received compensation for housing structures and relocated to Okumaning or Kade (the district capital) were possible. Complementary, another FGD was conducted in Congo village where the land has already been valued and people wait for compensation to leave. As previously mentioned in section three, the compensation process lacked transparency and was for different reasons very challenging. Therefore, affected people reported mainly negative outcomes (FGD G4 and G9).

For those who relocated to Okumaning or Kade the positive impacts are similar to those mentioned by the Okumaning groups: (i) employment creation, (ii) road maintenance, (iii) electricity, and (iv) the clinic (FGD G4). In contrast, those in Congo are currently only losing. Most likely, their compensation will not be appropriate as systematic weaknesses in the land governance system, revealed in section three, exist. Furthermore, they are too far away to benefit: (i) from CSR activities like improved health or schooling facilities, (ii) from direct benefits like employment creation or (iii) from spill-over effects like road maintenance (FGD G9).

Even worse, since their village is moribund better-off people started outmigration, while only poorer families are doomed to stay and wait for compensation. This led not only to the collapse of the primary school as the number of school children sunk below a critical mass, but also to a decline of economic welfare as people had to stop farming perennial crops as their farms will be destroyed in the near future (FGD G9). Depending on where they intend to relocate in the future it might be possible that they profit from positive outcomes of the investment. However, the fact that these migrant settlers have to leave their villages without fair, prompt, and adequate compensation makes them the biggest losers of the investment.

Aboabo village: too far to benefit, but close enough to lose

A similar picture is drawn by an average wealthy group and a youth group in Aboabo village. Aboabo is located outside the concession, but huge parts of its farmlands were claimed due to the land acquisition. The village also benefited from the surrounding migrant settlements within the concessions. Thus, due to their resettlement Aboabo's junior secondary school but also its weekly market collapsed as many of those compensated left the area (FGD G5 and G6). Aboabo itself is smaller than Okumaning and falls under the traditional jurisdiction of Okumaning chief. As a lot of its inhabitants are migrants, they were strongly affected when they lost their farms as it is more difficult for migrants to replace farm land.

This led to the situation that people were forced to work as casual labourers or on a sharecropping arrangement on the lands of farmers who were not affected (FGD G5 and G6).¹⁶ Hence, land pressure increased as one participant formulated:

'It is now the norm of the day: people give plots to more than a person; this has resulted in so many disputes in the community' (FGD G6).

In addition, the community is farther away from GOPDC's centre of operations. Therefore, they do not profit from infrastructural improvements like road construction and so on. As the village at the same time is rather small, it also did not yet benefit from CSR activities like support to get electricity. This might be caused by the fact that fix costs are very high for a relatively small village and that CSR activities in bigger villages might have a broader impact and are thus rather rational for the investor.

Moreover, it is not unlikely that the Okumaning chief according to the above presented framework rather bargains benefits for his own people. With regard to employment creation, the youth of Aboabo does not profit much. Given the greater distance to GOPDC's offices and worker's meeting point, only three people manage to work for the company (FGD G5). Therefore, one can summarise: Aboabo is too far away and too small to benefit, but close enough to be affected by the negative outcomes.

The workers: employment does not fit it all

Another bunch of outcomes is related to GOPDC's workers. Once again, to minimize group heterogeneity, three focus groups were built: (i) a group of permanent staff, (ii) a group of casual workers who are in harvesting which is paid per task and enables capable workers to earn eligible wages, and (iii) a group of casual workers who are into slashing which is paid on a fixed daily rate above minimum wage. As the workers are from various surrounded villages that are differently affected, only outcomes with regard to their employment shall be highlighted here.

On the negative side, both groups of casual workers complain that after working for the investor for many years they were still not offered a permanent contract (FGD G1 and G3). Hence, they are concerned that they are unable to maintain their livelihood in case of accident or after retirement (FGD G1). This adds up among all groups to the predominant feeling of not being appropriately paid (FGD G1-G3). Especially, the low paid 'slashers', but also 'harvesters' complain that, what they earn now as workers does not equal their earlier benefits from farming (FGD G1 and G3). On the positive side workers state:

'It has helped me to educate my ward to the final stage of Secondary School' (FGD G1).

'If we compare the situation from the time when there was no GOPDC, now it is easy to obtain a loan, since you work for GOPDC' (FGD G1).

One person even highlighted that he benefited from GOPDC as the company enabled him to buy two cars (FGD G2). Thus, pros and cons are also widespread among the workers, whereby younger people who are stronger and also those with better education benefit more than others. However, resentments against the land acquisition are also common among all groups of workers (FGD G1-G3).

¹⁶ For more information on sharecropping arrangements in Ghana, please refer to Amanor (2001).

The smallholders: vibrant resentments though economic benefits

Even after more than three decades resentments are vibrant. This is revealed by the focus group discussions with smallholders and outgrowers (FGD G11 and G12). Due to their proximity to the Kwae concession, the smallholder group has access to infrastructure provided by GOPDC like their clinic and their school. Furthermore, transportation improved as with growing of the 'Kwae estate population' the area became livelier (FGD G12). However, as people from Kwae village, where the majority of the smallholder comes from, lost two thirds of their land due to GOPDC, the problem of land scarcity is put forward (FGD G12). Moreover, expectations among the smallholders are very high as they weigh their neighbour GOPDC against large-scale investments from the mining sector where traditionally a higher gross profit margin results in more CSR activities for communities. Thus, one participant stated:

'When we compare GOPDC's activities to that of some mining companies you will see the gap between them' (FGD G12).

The outgrowers: in neighbourhood feud but truly winning

In contrast, the outgrowers rated GOPDC the most positive in comparison to all other groups. Although they are not free from resentments, they highlight the knowledge about agricultural techniques and technologies e.g. with regard to plant spacing, fertilizer application or the use of chainsaws (FGD G11). Another positive outcome is the improvement of the markets, which were manifold interpreted in the discussion. First of all they appreciate the introduction of the oil palm business in the area (FGD G11). Due to the scheme they accessed inputs, credit and training, which enabled them to set up a business and to earn cash (FGD G11). Additionally, GOPDC improved the banking system as it channels payments through the rural banks, thus, the access to loans improved (FGD G11).

Another important positive outcome is the improved schooling: (i) some children could attend GOPDC's school and (ii) some outgrowers could earn the money to send their wards to universities (FGD G11). A challenge for the outgrowers, however, remains the unclear policies of the investor with regard to fresh fruit bunch prices and supportive inputs within the scheme. Hence one participant stated:

'GOPDC is acting like a chameleon; it changes from time to time' (FGD G11).

In order to be fair on assessment one has to admit, that the outgrowers also challenge GOPDC when starting side-selling or interrupting the payback of loans granted to them in the frame of the outgrower scheme (FGD G11, Interview G4 and G11).

Regardless of disappointment by recent policy changes of GOPDC, the outgrowers have to be identified as the winners of the investment. Besides their economic integration, this might be also due to the fact that there are quite often actors who are lobbying for them within the action arena. To that effect for example the International Finance Corporation was interested in the scheme in conjunction with giving out a loan to support further expansion of the investment (IFC 2007), but also within the frame of the National Interpretation of Principles and Criteria of the Roundtable of Sustainable Oil Palm in Ghana outgrowers received strong attention by civil society and development assistance (RSPO in Ghana 2012).

Triangulation with quantitative findings

In the course of examining the focus group discussion exemplary insights on outcomes, their variation, and thus social differentiation were revealed. These findings can be partially supplemented by the quantitative data. Even though, the data is too limited to disclose causalities within the particular study design, group comparisons of the outcome variables ‘total household income’ and ‘asset endowment’ underline prevalent social differentiations.

Thus at community level, big villages turn out to be better-off at a significance level of 1% with a median total household income of 8,055 versus 4,556 Ghana Cedis (GHS) and a median asset stock of 987 versus 650 GHS according to Mann-Whitney-test statistics.¹⁷ Due to the conceptual framework above, this could be caused by the fact that bigger communities are more able to lobby for themselves as (i) they have more inhabitants and as (ii) their traditional authority is often higher in the hierarchy of the customary system compared to smaller settlements. Apparently, this seems to be the case for Aboabo as discussed earlier. At the same time it is likely that bigger villages are better integrated into the economy via enhanced infrastructure (e.g. access roads, electricity, market places etc.) which can, but not necessarily have to be related to GOPDC. Thus, univariate quantitative analysis at this stage is limited to the extent that it does not control for other factors and therefore, outcomes cannot strictly be linked to the investment project (no causality).¹⁸

Additionally, group comparisons at the household level are displayed in figure 2 to illustrate social differentiation with regard to other aspects highlighted earlier.¹⁹

Figure 2: Summary statistics of two-way Wilcoxon rank-sum tests and Kruskal-Wallis tests on household characteristics

		Household level (without outliers)			
		Total income in Ghana Cedi		Assets in Ghana Cedi	
		Median	Standard deviation	Median	Standard deviation
HH head: migrant	Yes	4213.88	9006,07	630.00	924,53
	No	5870.16***	10713,23	749.50**	869,76
HH head: basic schooling	Yes	5588.50	10744,51	774.50	872,53
	No	4646.00***	9115,81	591.00***	914,99
HH head: bank account	Yes	6563.43	10578,32	932.00	957,87
	No	3672.00***	9333,35	479.00***	731,21
Land under cultivation (in acre)	0-6	1800,00	6020,67	/	/
	6-15	9045.84***	10798,06	/	/
	>15	9969.82***	11878,32	/	/

Note: reference category ‘yes’, for land under cultivation: 0-6, *** p<0.01, ** p<0.05, * p<0.1, N= 1181. As total income and assets are skewed to the right medians are reported.

Once again simple test statistics are applied. In the case of two groups (yes/ no) this are two-way Wilcoxon rank-sum test for non-normal data. For variables with more categories the equivalent is a Kruskal-Wallis equality-of-populations rank test. As shown by figure 2 households where the head is

¹⁷ For comparisons of two groups, this study applied two-sample Wilcoxon rank-sum tests for non-normal distributed data, which are also known as Mann-Whitney-tests. Before doing so, outliers were eliminated to estimate values around the median with higher efficiency. This leads to N= 1181. As total income and assets are skewed to the right medians are reported. Median, standard deviation and significance levels are reported in appendix 3.

¹⁸ However, the variables are also significant in multivariate analyses as presented in Vãth, S.J. and Kirk, M. (2011) ‘Land ownership, contract farming and investor-local population linkages: Evidence from the Ghanaian oil palm sector’, a draft prepared for the Annual World Bank Conference on Land and Poverty in Washington D.C.

¹⁹ Figure 2 only shows most important group comparisons, further variables are presented in appendix 3.

a migrant are with a median total income of 4,214 GHS and an asset stock of 630 GHS at the 1% significance level worse-off than old-established families (5,870 and 750 GHS). Considering outcomes revealed by FGDs in Aboabo and Congo, it is no surprise that they lack behind.

With regard to completed basic schooling by the household head it is the other way around. Such educated households possess both, higher income and assets (5,588 and 775 GHS versus 4,646 and 591 GHS at the 1% significance level). Especially, among the FGDs with workers, it was highlighted that rather educated people benefit from outcomes, thus quantitative analyses supported the impression that they are better off. In the course of discussion with outgrowers, it revealed that a major benefit for them is the market integration, i.e. amongst others their payment through the rural banks. Consequently, households who hold a bank account are far better off than others according to quantitative analysis (6,563 and 932 GHS versus 3,672 and 479 GHS at the 1% significance level).

Another aspect disclosed in the discussion with people from Okumaning is related to the size of land under cultivation. Thereby, participants highlighted that those with less access to land are more seriously affected by the investment. Considering quantitative data households who cultivate less than 6 acre are indeed with an income of only 1,800 GHS, dramatically worse-off than those producing on land between 6 and 15 acre with an income of 9,045 GHS; if cultivated land increases above 15 acres incomes even arise up to 9,970 GHS (all at the 1% significance level).²⁰

Finally, the most interesting output of quantitative analysis is linked to the contractual arrangement between GOPDC and its neighbours as presented in figure 3.

Figure 3 Summary statistics of Kruskal-Wallis test for contractual arrangement

		Household level (without outliers)			
		Total income in Ghana Cedi		Assets	
		Median	Standard deviation	Median	Standard deviation
Household category	Outgrower	7815,25	10832,96	976,00	1047,89
	Smallholder	4674.00***	9034,50	837.00**	925,87
	Worker	1080.00***	3030,96	319.00***	515,04
	Independent	7722,78	10368,19	713.00***	703,55
		6701,87	11461,55	925,00	1041,58

Note: reference category: outgrower, *** p<0.01, ** p<0.05, * p<0.1, N= 1181. As total income and assets are skewed to the right medians are reported.

According to FGDs a main claim of the workers is the low wage, blamed to be less than their incomes out of earlier farming activities. The Kruskal-Wallis-Test reveals that worker households are indeed far worse-off in comparison to all other groups. They hold only an income of 1,080 GHS and assets of 319 GHS which is severely less than the comparison group of outgrowers possessing an income of 7,815 GHS and assets of 976 GHS. Hence, the numbers highlight that the outcomes of employment are very small. Likewise, the assessment of smallholders reveals that they are also significantly (at the 1% level) worse-off than outgrowers, though they far outreach the workers with an income of 4,674 GHS and assets of 837 GHS.

However, the biggest surprise is the fact that independent oil palm farmers with an income of 7,722 GHS do not significantly vary from the outgrowers. Considering the major strengths of GODPC highlighted by the village representatives in the community survey (e.g. introduction of the oil palm

²⁰ As land is an asset itself, group comparisons are due to endogeneity limited to comparisons of total household income.

business in the area, improved living standard through buying from farmers etc.), it turned out that the investment benefits a lot of people in the course of fostering the local economy.

If total income is considered as short-term measurement, whereas assets are rather measuring long-term outcomes, the fact that outgrowers have a significantly higher asset endowment with 976 GHS than independent farmers with 713 GHS, can be interpreted in the way that independent farmers are catching up only over time. The logic behind would be that outgrowers were supported over years since they joined the scheme, while independent oil palm farmers started copying agricultural techniques only when they recognised the success on outgrower farms. A reason why this did not directly reveal from the FGDs could be due to the fact that such independent farmers did not benefit in specific manner from GOPDC, but rather through more diffuse spill-over effects like created market for fresh fruit bunches or technology transfer. Another aspect supporting this interpretation would be that prevalent resentments might bias independent farmers in their assessment.

A last group that did not significantly vary from the outgrowers are those people holding mixed contractual arrangements. This could be a combination of smallholder and outgrower contracts or one form of contract farming combined with working as a casual worker. Their income of 6,702 GHS and assets of 925 GHS reveals that mixed livelihood strategies could also be an efficient strategy for household to profit from the investment. However, it is obvious that being an outgrower, an independent farmer or a household with mixed contractual arrangements requires access to farm land but according to focus group discussions, this seems to be the bottleneck in the neighbourhood of a land-based large-scale investment.

Conclusion

Within this study a rationale was developed to explain why outcomes of large-scale investment in agricultural land vary within and among investment cases. In the conceptual framework thoughts of Williamson (2000) and Ostrom (2005) are thereby synthesised in order to disclose systematically varying outcomes in the case country Ghana. Thus, it is differentiated between (i) the 'context' as a set of influencing factors i.e. the resource endowment but also the cultural and political setting as well as the socio-economic setting which consist of a mix of informal and formal institutions, and (ii) the 'action arena' as dependent variable i.e. where the game of large-scale land acquisitions is played by different actors with various options to act.

Through step-by-step analysis it turned out that in the case of Ghana outcomes of large-scale investment vary due to three reasons: (i) the lack of a fully implemented effective land governance system within a frame of clear formal institutions, (ii) the lack of harmonisation with the informal rules of the customary system, and (iii) asymmetric power constellations between various actors. Thereby, an institutional environment is produced which fosters (i) rent-seeking activities at all levels, (ii) unrealistic expectations on outcomes due to communication strategies of some actors, and (iii) lobbying activities to shift outcomes of land acquisitions towards benefits for the actors themselves or different sub-groups of the local population.

How such outcomes can de facto vary is exemplarily shown by an in-depth analysis of focus group discussions conducted in the investment area of Ghana Oil Palm Development Company (GOPDC) in Ghana: (i) While neighbouring villages realise mixed outcomes linked to land loss on the one hand

and infrastructural improvements as well as employment creation on the other hand (see Okumaning village), (ii) communities which are farther away are rather affected negatively as spill-over effects cannot be accessed due to geographic distance to the core of the investment area (see Aboabo village). Nevertheless, (iii) people who had to relocate or who are just in the course of resettlement turned out to be the worst-off as the institutional environment is too weak to guarantee legal entitlements to 'fair, prompt, and adequate' compensation (see Congo village). Moreover, (iv) a detailed assessment of the discussion with workers revealed that the positive outcomes linked to employment creation also disclose their shady side when it comes to the quality of employment (see the workers). Lastly, (v) contract farmers are the greatest beneficiaries because they profit from long-term economic integration (see the outgrowers); but at the same time they are still carrying on the burden of land loss (see smallholders) which was highlighted by all sub-groups of the local population.

However, quantitative analyses confirm this variation of outcomes of land acquisitions with regard to social differentiation in a systematic manner. Thus, the case study design reveals that influencing factors are (i) distance of the village to the core of the investment, (ii) the household head being a migrant, (iii) the household head having completed basic education, (iv) the household (being integrated into the economy by holding a bank account and (v) the size of land under cultivation. Most interestingly, a combination of qualitative insights and quantitative analysis of household income as well as asset endowment according to contractual arrangement supports the idea that time seems to spread advantages from integrated outgrowers towards independent farmers. Although this development seems to be encouraging, one has to take into account that all this happens in an environment of dramatic land scarcity caused by the investment itself and population growth.

These findings call for action to improve the outcomes of large-scale investment in agricultural land. Therefore, corrective measurements at different levels are suggested. To enhance the 'context' efforts (i) to improve legal reform in order to enhance guidance for actors and to ensure transparency are equally important as (ii) a discourse on informal institutions with modification towards checks and balances along the customary system. Additionally, (iii) the support in implementing voluntary standards as suggested by the Voluntary Guidelines on Responsible Governance of Tenure, Land, Fisheries and Forests (FAO, 2012), the AU Framework & Guidelines on Land Policy in Africa (AU, 2010), and the Responsible Agricultural Investment Principles (FAO et al., 2010) will contribute to channel actions within the 'action arena' towards positive outcomes and partly overcome weaknesses of the existing land governance system if investors show commitment.

Within the 'action arena' it is recommended (i) to put stronger efforts on sensitisation for overoptimistic expectations of negotiating parties, as well as (ii) to enhance sensitisation of the investment project to consider the strong cultural ties of the local population to the land of their ancestors from the very beginning, and furthermore to break with bad practices of earlier land acquisitions in the area. In addition, (iii) improved transparency through institutionalised communication channels is a precondition for sustainable investment projects. However, (iv) the most important factor for positive outcomes is (v) the development of alternative livelihood strategies – considering social differentiation – to anticipate increasing land pressure.

A comparison of characteristics of the 'context' and the 'action arena' reveals similarities to the land governance systems of other African countries as well as to press reports and scientific studies on

specific cases of large-scale investments in developing economies. Thus, the application of a new conceptual framework on land acquisitions on a particular investment case is a promising way to extract insights which offer to a far extent the possibility to generalise recommendations and to structure the way of thinking on large-scale investments in agricultural land.

References

- African Union, African Development Bank, & Economic Commission for Africa (2010). *Framework and Guidelines on Land Policy in Africa*. Final Version, Addis Ababa.
- Amanor, K. S. & Ubink, M. (Ed.) 2008. *Contesting land and custom in Ghana*. Leiden: Leiden University Press.
- Amanor, K. S. 2001. Share contracts in the oil palm and citrus belt of Ghana. London: IIED.
- Amanor, K. S. 2012. Global resource grabs, agribusiness concentration and the smallholder: two West African case studies. *Journal of Peasant Studies*, 39(3-4), 731-749.
- Anyidoho, N. A., Amanquah, S. T., & Clottey, E. A. 2008. Chieftancy institutions and land tenure security: challenges, responses and the potential for reform. Technical publication No. 77. Institute of Statistical, Social & Economic Research (ISSER). Legon: University of Ghana.
- Aryeetey, E., Ayee, J. R. A., Ninsin, K. A., & Tsikata, D. 2007. The politics of land tenure reform in Ghana: From the Crown Lands Bills to the Land Administration Project. Technical publication No. 71. Institute of Statistical, Social & Economic Research (ISSER). Legon: University of Ghana.
- AY & A Consult Ltd. 2007. Updated resettlement action plan for the oil palm plantation development project at Okumaning. Accra.
- Bates, R.H. 2000. The analytical narratives project. *The American Political Science Review*, 94(3): 696-702.
- Boamah, F. 2011. The relationship between land grabbing for biofuels and food security, a bane or boon? The food security implication of jatropha biodiesel project in northern Ghana. Paper presented at the International Conference of Global Land Grabbing, 6-8 April 2011, University of Sussex.
- Braun, J. von & Meinzen-Dick, R. 2009. „Land grabbing“ by foreign investors in developing countries: Risks and opportunities. *IFPRI Policy Brief 13*, Washington D.C.: IFPRI.
- Cotula, L. & Vermeulen, S. 2011. Contexts and procedures for farmland acquisitions in Africa: What outcomes for local people? *Development 54*: 40-48.
- Cotula, L., Vermeulen, S., Leonard, R. & Keeley, J. 2009. Land grab or development opportunity? Agricultural investment and international land deals in Africa. London/Rome: IIED/FAO/IFAD.
- Deininger, K. W. & Byerlee, D. 2011. *Rising global interest in farmland: Can it yield sustainable and equitable benefits?* Washington, D.C.: World Bank.
- Di Gregorio, M., Hagedorn, K., Kirk, M., Korf, B., McCarthy, N., Meinzen-Dick, R., Swallow, B. 2008. Property rights, collective action, and poverty: The role of institutions for poverty reduction. CAPRI Working Paper No. 81, Washington, D.C.
- Eggertsson, T. 2005. *Imperfect institutions: Possibilities and limits of reform*. Ann Arbor: University of Michigan Press.

- Food and Agriculture Organization of the United Nations, (2012). *Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security*. Rome.
- Food and Agriculture Organization of the United Nations, International Fund for Agricultural Development, United Nations Conference on Trade and Development, & World Bank, (2010). *Principles for Responsible Agricultural Investment that Respects Rights, Livelihoods and Resources. Discussion Note, Extended Version*, January 25.
- Gerring, J. 2004. What is a case study and what is it good for? *The American Political Science Review*, 98(2), 341–354.
- GOPDC. Company Profile. Available from: <http://www.gopdc-ltd.com> [Accessed on 31 July].
- Görgen, M., Rudloff, B., Simons, J., Üllenberg, A., Väh, S., Wimmer, L. 2009. Foreign direct investment (FDI) in land in developing countries. Eschborn, Germany: Deutsche Gesellschaft für Technische Zusammenarbeit.
- GRAIN, consecutively. The farmlandgrab.org weekly update. Available from: www.farmlandgrab.org [Accessed on 31 July].
- International Finance Corporation 2007. GOPDC: Summary of proposed investment. Available from: http://www.ifc.org/ifcext/spiwebsite1.nsf/ProjectDisplay/SPI_DP25988 [Accessed on 31 July].
- Kasanga, K. & Kotey, N. 2001. Land management in Ghana: Building on tradition and modernity. London: IIED.
- Kwadwo, O. 2002. *A handbook on Asante culture*. Kumasi: Cita Press.
- Kwadwo, O. 2004. *An outline of Asante history*, Part 1, Third Edition, Kumasi: City Press.
- Mends, T. & De Meijere, J. 2006. A study of the institution of the customary land tenure system in the supply of property rights for urban development – An example of Accra. Paper prepared for the 5th Regional FIG Conference, 8-11 March, Accra.
- North, D.C. 2005. *Understanding the process of economic change*. Princeton: Princeton University Press.
- Osei, E.K. 1998. *Social structure and traditional organization of the Akans of Ghana, (1) Clanship systems and marriage*. Accra: Tell Africa Communications.
- Ostrom, E. 2005. *Understanding institutional diversity*. Princeton: Princeton University Press.
- Quaye, B. A. 2006. Towards an appropriate framework for the effective utilization/ management of geoinformation. A case study of Ghana, XXIII International FIG Congress, Munich.
- Republic of Ghana 1962a. Administration of Lands Act. Act 123, Accra.
- Republic of Ghana 1962b. State Lands Act. Act 125, Accra.
- Republic of Ghana 1976. Land Registry as No. 1258/1976, Accra.

- Republic of Ghana 1992. The Constitution of the Republic of Ghana, Accra.
- Republic of Ghana 1994. Office of the Administrator of Stool Lands Act. Act 481, Accra.
- Republic of Ghana 1999. National Land Policy, Accra.
- Republic of Ghana 2008. Eastern Region Lands Commission, Deeds Registry as No. 2538/2008.
- Republic of Ghana 2010. A bill entitled the Lands Act 2011. Third Draft, Accra.
- Republic of Ghana 2011. Land Use and Spatial Planning Bill. Revised Draft (August), Accra.
- RSPO in Ghana. Roundtable on Sustainable Palm Oil in Ghana. Available from: www.rspo-in-ghana.org [Accessed on 31 July].
- Schoneveld, G.C., L.A. German and E. Nutakor 2010. Towards sustainable biofuel development: Assessing the local impacts of large-scale foreign land acquisitions in Ghana. Paper presented at the World Bank Land Governance Conference, 26-27 April 2010, Washington DC.
- SIAT. Company Profile. Available from: <http://www.siat.be> [Accessed on 31 July].
- Tsikata, D. and J. Yaro 2011. Land market liberalization and trans-national commercial land deals in Ghana since the 1990s. Paper presented at the International Conference of Global Land Grabbing, 6-8 April 2011, University of Sussex.
- Ubink, J.M., Quan, J.F. 2008. How to combine tradition and modernity? Regulating customary land management in Ghana. *Land Use Policy* 25: 198-213.
- Williamson, O. E. 2000. The new institutional economics: Taking stock, looking ahead. *Journal of Economic Literature*, 38(3), 595–613.
- Wisborg, P. 2012. Justice and sustainability: Resistance and innovation in a transnational land deal in Ghana. Paper presented at the Annual World Bank Conference on Land and Poverty 2012, 23-26 April 2012, Washington DC.

Appendix 1: Interviews conducted in Ghana

Code	Date	Place	Gender	Position/ Institution
G1	27.10.2011	Kwaebibirem Dist.	M	Traditional Authority
G2	04.11.2011	Kwaebibirem Dist.	M	Traditional Authority
G3	04.11.2011	Kwaebibirem Dist.	M	Traditional Authority
G4	08.11.2011	Kwaebibirem Dist.	M	Manager GOPDC
G5	09.11.2011	Kwaebibirem Dist.	M, M	Executives Outgrowers Association
G6	09.11.2011	Kwaebibirem Dist.	M	Manager GOPDC
G7	09.11.2011	Kwaebibirem Dist.	M	Manager GOPDC
G8	09.11.2011	Kwaebibirem Dist.	M	Manager GOPDC
G9	09.11.2011	Kwaebibirem Dist.	M	Manager GOPDC
G10	10.11.2011	Kwaebibirem Dist.	M	Sn. Official - District Assembly
G11	10.11.2011	Kwaebibirem Dist.	M	Middle men
G12	11.11.2011	Kwaebibirem Dist.	M	Official - OASL
G13	11.11.2011	Kwaebibirem Dist.	M	Sn. Official - Ministry of Food and Agric.
G14	12.11.2011	Kwaebibirem Dist.	M	Traditional Authority
G15	14. & 30.11.	Accra	F	Representative Civil Society
G16	15.11.2011	Accra	F	Sn. Official - Lands Commission
G17	16.11.2011	Accra	M	Official - Ministry of Food and Agric.
G18	17.11.2011	Accra	M	Sn. Official - Land Administration Project
G19	17.11.2011	Accra	M	Official - Ghana Investment Promotion Centre
G20	17. & 22.11.	Accra	M	Sn. Official - Lands Commission
G21	18.11.2011	Accra	M	Sn. Official - Lands Commission
G22	18.11.2011	Accra	M	Sn. Official - Land Administration Project
G23	18.11.2011	Accra	F	Sn. Official - OASL
G24	21.11.2011	Accra	M	Sn. Researcher -s AGRA
G25	21.11.2011	Accra	M	Sn. Official - IFPRI
G26	21.11.2011	Accra	M	Sn. Official - Ghana Agricultural Workers Union
G27	22.11.2011	Accra	M	Sn. Official - Lands Commission
G28	23.11.2011	Accra	F	Sn. Official - Ministry of Food and Agric.
G29	24.11.2011	Accra	M	Sn. Official - House of Chiefs
G30	24.11.2011	Accra	M	Expert - Town and Country Planning Dep.
G31	25.11.2011	Accra	F	Official - Water Resource Commission
G32	28.11.2011	Accra	M	Professor - University of Ghana
G33	29.11.2011	Accra	M	Sn. Official - Environmental Protection Agency

Appendix 2: Focus Group Discussions conducted in Ghana²¹

Code	Date	Place	Category
G1	26.09.2011	Okumaning Plantation	Casual Workers - Slashing – GOPDC
G2	27.09.2011	Okumaning Plantation	Permanent Employees –GOPDC
G3	27.09.2011	Okumaning Plantation	Casual Workers – Harvesting - GOPDC
G4	27.09.2011	Okumaning	Rich Before Compensation
G5	28.09.2011	Aboabo	Youth
G6	28.09.2011	Aboabo	Average
G7	31.10.2011	Okumaning	Vulnerable
G8	31.10.2011	Okumaning	Average
G9	01.11.2011	Congo	To Be Compensated
G10	01.11.2011	Okumaning	Mixed: Average & Wealthier
G11	01.11.2011	Asuom	Outgrowers
G12	01.11.2011	Kwae	Smallholders

²¹ In order to reduce heterogeneity, groups were designed according to wealth level and age. A group of people below 35 was build to capture the voices of the youth. For the wealth level extension officers allocated people to different wealth level groups with respect to a list of different characteristics:

- Vulnerable: No house or only small structure, none or few domestic animals, no bicycle, none or only a small piece of land.
- Average: middle size house, few animals, bicycle, school attendance at primary and at often Junior Secondary Level, little land ownership, but cultivation of several plots under sharecropping.
- Wealthier: big houses, more animals, motorbike or car, often fewer children, higher land ownership, cultivation of more than 5 plots, often additional sources of income from non-farm activities.

Additionally, we interviewed a group of smallholder farmers (contract farmers without own land), a group of outgrowers (contract farmers with own land), and a group of people who just wait for compensation as their village lies within the concession of GOPDC. Groups from Okumaning are very close to the new concession of GOPDC, groups from Aboabo are a bit farer away. The groups from Asuom (outgrowers) and Kwae (smallholders) are neighbouring the old concession, as both contractual arrangements cannot be found (yet) around the new concession.

Appendix 3: Test statistics

Figure 4: Summary statistics of two-way Wilcoxon rank-sum test for big villages

		Household level (without outliers)			
		Total income		Assets	
		Median	Standard deviation	Median	Standard deviation
Big village	yes	8055.80	11595,75	987.50	968,10
	no	4556.00***	9611,09	650.00***	861,24

Note: reference category: 'yes', *** p<0.01, ** p<0.05, * p<0.1, n= 1181. As total income and assets are skewed to the right medians are reported.

Figure 5: Summary statistics of two-way Wilcoxon rank-sum tests for household characteristics.

		Household level (without outliers)			
		Total income		Assets	
		Median	Standard deviation	Median	Standard deviation
Female-headed HH	Yes	2893.00	8424,15	432.00	703,44
	No	5592.00***	10261,54	757.00***	903,51
Age of HH head	<35	1555.00	6060,90	429.00	550,10
	>35	6249.04***	10608,06	805.50***	937,56
Number of HH members	1-5	4543.00	9794,59	605.50	836,42
	>5	6879.00***	10608,27	911.00***	961,35
HH holds own house	yes	7367.00	10336,60	/	/
	no	1800.00***	8650,18	/	/
Own land	yes	8102.00	10746,84	/	/
	no	3590.70***	9254,22	/	/
Own land (in acre)	0-3	3795,46	9362,94	/	/
	3-10	8131.23***	9806,57	/	/
	>10	13291.89***	12667,58	/	/
Secure land rights (as collateral)	Yes	9254.06	11898,43	/	/
	No	4992.66***	9868,31	/	/
HH head is Akan	yes	6095.00	10311,87	827.00	886,68
	no	3600.00***	9576,60	513.50***	881,98
HH is from Eastern Region	yes	5592.00	10357,24	731.50	893,46
	no	3041.06***	8313,28	581.00**	882,43
HH head: no school completed	yes	4437.49	9077,65	542.00	845,49
	no	5555.00***	10560,27	783.00***	906,18
HH head: Secondary schooling	yes	5400,00	9444,45	854.00	1101,03
	no	5257,10	10174,16	694.00**	866,98
HH head: first occupation in non-agriculture-sector	Yes	8164.00	11615,87	694,00	1004,36
	No	5156.00**	10038,11	703,00	888,77
HH uses HH labour	yes	6200.36	10567,56	794.25***	924,05
	no	3917.60***	9258,75	603.00***	830,60
HH hires labour	yes	7134.00	10483,97	855.00	930,56
	no	1200.00***	6320,77	345.00***	564,64
Cultivating citrus	Yes	6991.25	10780,65	1053.50	904,92
	No	5030.80***	10006,59	685.00***	886,57
Cultivating cocoa	Yes	10847.30	12883,17	888.50	1003,37
	No	3969.00***	7735,23	634.00***	823,00
Cultivating food	Yes	10673.12	11604,25	2699.50	1156,64
	No	5220.00*	10080,85	694.00***	866,49

Note: reference category: 'yes', for age: 0-35, for HH members: 1-5, for own land: 0-3,*** p<0.01, ** p<0.05, * p<0.1, n= 1181. As total income and assets are skewed to the right medians are reported.