Predatory Elites, Rents and Cocoa: A Comparative Analysis of Ghana and Ivory Coast

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This article explores the way in which the cocoa sector shaped the rent-seeking behaviour of ruling elites and rural producers in Ghana and Ivory Coast. Analysis of their rent-seeking behaviour is done in two different contexts. The first context is a boom period in which the exploitation of the rent generated from cocoa production leads elites and rural producers to pursue specific investment and allocation strategies. The other context is the bust period in which the rent has declined and, more importantly, the factors of production – land and labour – associated with the successful exploitation of cocoa become more contested and contribute to increased political tension along class, ethnic and regional lines.

David Apter once described Ghana as ‘richer than most African countries, carefully groomed for independence, with trained cadres exceeding those of far larger countries, without racial minority problems, having inherited a good and expanding educational system. Ghana is regarded as having the resources, manpower and moral and spiritual qualities to set the pace and tone of political development in all of Africa’.[1] By the 1970s, Apter’s description no longer applied to Ghana but to Ivory Coast. In the 1970s, Ghana sank into a morass of social, economic and political crises that undermined state authority, resulted in pockets of famine and impoverished large segments of the population, notably rural producers. Ghana’s crisis became so severe that broad segments retreated from any interaction with the state and the formal economy.[2]

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While Ghana was mired in social and political crises that undermined regime stability, Ivory Coast was experiencing an economic boom that catapulted it to being the country that set the pace and tone of political and economic development in all of West Africa. Two decades later, Ivory Coast has entered into a cycle of social and political crises somewhat reminiscent of Ghana in the 1970s. For the first time in the country's history, the military took power from a civilian-elected government on 24 December 1999. Nearly a year later, the general who had taken over following the coup tried to remain in power even after losing national elections that his government had organised. General Guei was eventually forced from office; however, calm did not return to Ivory Coast. Over the next two years, the country experienced a succession of crises: the contested election of Laurent Gbagbo as president; acts of ethnic cleansing by the military against northerners; and a failed attempt at national reconciliation. In September 2002, a bloody mutiny within the military led to the death of the former military ruler Guei and hundreds of other Ivorians – precipitating a civil war that has divided the country literally down the middle.

RENT-SEEKING: ELITE AND LOCAL PRODUCER STRATEGIES

In this article I argue that the political and the economic fortunes and misfortunes of Ghana and Ivory Coast are related to the cocoa sector of their economies.[3] The central argument is that their cocoa-based economies followed a similar pattern of boom and bust.[4] The boom and bust cycle shaped the investment and allocation strategies of both countries' ruling elite and that of rural producers. During the boom phase, ruling elites in Ghana and Ivory Coast sought to maximise their exploitation of the economic rent generated from cocoa exports. They did this in three ways. First, they set about gaining a political monopoly at the local and national levels, resulting in the emergence of single-party regimes. Secondly, in both countries, ruling elites established marketing boards as a way of taxing and controlling the commercialisation of cocoa. Third, elites attempted to use the rent from cocoa to spur some form of industrialisation.

At the village level, cocoa farmers invested heavily in education for their children and attempted to diversify their sources of income, in many instances in transportation and/or real estate. They spent money on upgrading their houses and increasing their consumption of products not produced on the farm. All of this created a vibrant economic environment in which traders and local businesses benefited. Little capital investment, however, was made in the cocoa sector.

In the bust phase, things obviously changed. Land and labour became scarce. The need for capital investment for the maintenance of cocoa farms increased, while the ability of rural producers to invest actually declined. Both the state and individual producers were faced with a liquidity crisis. This, in turn, contributed to a pervasive social and political crisis that spiralled into increased political and ethnic tensions. These tensions reflected a growing struggle over the factors of production – land and labour – that are the basis of cocoa rent. Because the cocoa sector dominated each country's economy, it had a pervasive effect on the behaviour of ruling elites and local producers.

At the end of the 1950s, Ghana produced nearly 450,000 tons of cocoa a year, reaching a high of 572,000 tons in 1964–65. Ivory Coast produced less than 100,000 tons in 1960. Less than two decades later, however, Ivory Coast had surpassed Ghana as the world's leading cocoa producer. In 1985, Ivory Coast produced over 800,000 tons of cocoa. A decade later, it would pass the one million ton mark. More importantly, in Ghana, the cocoa sector accounted for about nine per cent of government revenue in the mid-1930s and more than 50 per cent in the 1950s. Foreign exchange earnings from cocoa exports constituted 60 per cent of the country's total earning from the early 1900s to the 1960s.[5] In Ivory Coast, like Ghana, foreign exchange earnings and government investment revenue were drawn heavily from the cocoa sector and to a lesser extent from coffee and timber exports.[6]

Capturing a Natural Rent

The structure of cocoa economies depends upon the forest. The existence of tropical forest implies low population density. Land is unoccupied and open to settlement and exploitation.[7] A natural rent derived from the forest is the difference between the cost of producing a kilogram of cocoa after clearing forestland and the cost of producing a kilogram of cocoa upon replanting.[8] At the outset, the differential is overwhelmingly positive,[9] primarily due to low consumption of inputs and almost non-existent capital costs. Barriers of entry are low, thus accounting, in part, for the emergence of a pioneer front. A pioneer front is the sporadic development of new tropical forestlands for exploitation by domestic migrants and foreign immigrants to plant cocoa. Its development is determined by 'social conditions under which land is obtained and labour is mobilised'.[10] Variations in land tenure practices, prices, labour and political decisions account for the timing in the expansion and/or decline of cocoa production.

While the tropical forest rent lowers the entry cost and spurs on the development of pioneer fronts, it has a downside; the cost of replanting cocoa trees is relatively high. Replanting on already cleared and exploited forestland generally results in a decline in output and quality. Over several planting cycles, there is a net decline in the quantity and quality of cocoa. By this point, all of the advantages of the forest rent have disappeared. The soil no longer contains sufficient and valuable water reserves; weed growth becomes more rapid, so that cocoa plants are overrun as soon as they start to germinate. Without the forest, young plants are also exposed to harsh, damaging winds.[11] Consequently, the cost of production rises as the need for labour and other inputs, such as fertilisers, increases.

PIONEER FRONTS AND FACTORS OF PRODUCTION

Land

Availability of tropical forest is an obvious precondition in the expansion of cocoa production. It is, however, a passive precondition. The exploitation of the forest rent is determined more by access than its mere existence. The fact that land tenure policies evolved in a way that permitted access to the forest contributed to the expansion of cocoa production by opening the possibility of new pioneer fronts. In Ghana and Ivory Coast, access to tropical forestland depended on local customs and colonial policies.

The formal structure of land control in Ghana changed over time.[12] Initially, village chiefs and the Asanthene royal bureaucracy dominated control over access to land in the future cocoa-growing regions of Ghana. As Firmin-Sellers notes, 'prior to commercialisation of land, the divisional chiefs in Akyem Abuakwa claimed ownership of the land on behalf of all stool subjects, past, present, and future'.[13] With the onset of cocoa production and improvement of the road system in Ghana, the control of village chiefs over land declined. As land values increased, Akan chiefs started selling property. Eventually, this undermined the status of chiefs within some Akan villages once commoners realised just how much of their land had been sold or leased for cocoa farming.

The main effect of the commercialisation of land, however, is that it contributed to the emergence of pioneer fronts. Initially, these pioneer fronts reflected a recomposition of local social structures as commoners entered cocoa farming. As more land was brought into cocoa cultivation and family and lineage labour was exhausted, cocoa farmers turned increasingly to migrant labour from outside their region. As Mikell observes:

> The occasional wage labour from the north often limited to mining and trading activities before 1920 now proved insufficient. With increasing demand, people such as Dargarti, Grunshi, Mossi and other Northerners, driven by the need to pay colonial taxes, flocked into the forest zone.[14]

While the pioneer fronts that developed in Ghana were similar to those that would develop later in Ivory Coast, there were some significant differences concerning the relationship between access to land and the opening of a pioneer front.[15] First, in the Ashanti areas of central Ghana land was rarely ceded to non-Ghanaians. Migrant labourers, foreigners and non-foreigners, entered into an *abusa* relationship – a type of sharecropping – from which they earned one-third of the cocoa crop in exchange for clearing and harvesting the crop. Land was, however, ceded to Ghanaians migrating into virgin forested areas for cocoa planting. Ghanaian migrants were able to acquire land through purchases.[16] Domestic migrants who purchased land 'caused ethnic diversity through cocoa-induced migrations'.[17] As in Ivory Coast, the acquisition of land by ethnic groups from outside an area was not initially a problem until most of the available virgin forest had already been exploited. Afterwards, land disputes became central to local society and politics.

At the village level, land disputes and control over cocoa commercialisation in Ghana were entangled with the local power structure to a greater extent than in Ivory Coast. With a few exceptions, traditional chiefs did not play as prominent a part in land allocation in Ivory Coast as they did in the Ashanti cocoa regions of Ghana. In this respect, the struggles over the control of the cocoa rent involved increasingly salient battles between local and national elites.[18] As the national elite led by Nkrumah's Convention People's Party (CPP) attempted to obtain a hegemony over the cocoa rent, conflicts within cocoa-producing villages pitted different groups against one another. The CPP attempted to circumvent the authority of local chiefs by bolstering the position of village youths and outsiders who had migrated into the region as labourers. As Boone states, 'chiefs resisted in the trenches: some even refused to turn over revenues to the new local government authorities'.[19]

Secondly, there was a difference in colonial policies concerning land. British colonial authorities recognised and supported customary law over land and resultant disputes in ways that the French in Ivory Coast did not.[20] The colonial state in Ivory Coast asserted itself as the proprietor of 'vacant and ownerless land'. This did not mean that the French colonial state monopolised all land in the country. On the contrary, land and access to it remained a local issue. What it did mean, however, was that the colonial government did not accord any *a priori* monopoly rights over land to local village authorities. When disputes arose concerning the clearing of virgin forest, the ultimate arbiter was a representative of the colonial state and not a village or paramount chief.

Throughout much of the colonial period there were no serious conflicts over land and gaining access to it. This was due to the fact that Ivory Coast was sparsely populated in the tropical forest areas and there was no large European settler community. Moreover, the key concern of the European settler community was not land but labour. Colonial and post-colonial regulations concerning access to land and ownership of it were very liberal.

In the period leading up to independence, the slogan used was that 'land belongs to those who make it bear'.[21]

Despite the differences between Ghana and Ivory Coast over land, the rent generated from clearing virgin forest and establishing cocoa farms resulted in vigorous pioneering fronts in which both the indigenous population and migrants took part. In both countries, pioneer fronts resulted in increased ethnic heterogeneity and spawned complex patron–client relationships between farmers and labourers.

Labour

Access to labour was the other essential factor in the expansion of cocoa production. The cocoa-producing regions were relatively under-populated; thus, outside labour was required. As indicated above, access to land correlated with migratory movements into cocoa-producing regions. In both countries, the limits of family labour were quickly reached. In order to continue to exploit the tropical rent, local producers had to establish some kind of contractual relationship with outsiders in return for their labour. Ghanaian cocoa producers established a flexible sharecropping system. Migrant labourers cleared the land and tended to the young cocoa trees and participated in the harvesting of the cocoa crop. In return, they received one-third of the cocoa crop once it was harvested. More importantly, many of these labourers, known as *abusa*, were housed on the farm and received a plot of land in order to cultivate their own food crops.[22] This was not the only system used by cocoa farmers. In some instances, labourers worked the land as wage labourers.[23]

A somewhat similar system – called *abusan* – evolved in Ivory Coast. Ivorian producers hired farm-hands on a semi-contractual basis. While the relationship between rural producers and migrants was a form of wage labour, labourers' remuneration was often the provision of food products and the right to sell a portion of the cash crops that they produced. Since labour was essential to the functioning of cocoa production, an additional incentive was added – namely the right of migrant labourers to eventually gain access to land. In some areas under cocoa production, sharecroppers were able to acquire land outright. In other areas, they could work the land and keep what they produced; however, this never implied the cession of usufruct rights to sharecroppers. In addition to the *abusan* system, Ivorian cocoa producers, like their Ghanaian counterparts, also relied on contractual labour. In this instance, migrant labourers were employed during the harvest season and then let go. While most Ivorian producers relied on migrant labour, the larger producers depended even more on the system than small-scale producers, since it was central to generating a profit.

As cocoa production expanded rapidly in the late 1930s in Ivory Coast, access to labour became the principal source of conflict between Africans and the colonial authority.[24] The country's first African rural union – Syndicat Agricole Africain (SAA) – emerged out of this cleavage. In fact, the SAA also served as a springboard for the eventual creation of the country's first national political party – the Parti Democratique de la Côte d'Ivoire (PDCI).

The PDCI, which was organised by the country's largest cocoa producers, had a specific interest in getting the colonial government to revise its labour laws that discriminated against African planters. Under colonial rule, Africans were not allowed to directly recruit labourers for their farms, and they had to wait until the European quota for labourers was filled before they could receive any workers.

With the rapid expansion of cocoa and coffee production following the Second World War, there was an acute shortage of available labour on most African farms. This shortage was aggravated by the colonial policy of forced labour that required every adult male to contribute 12 work-days a year to colonial projects. It was largely the issue of access to labourers and the suppression of the forced labour laws that galvanised African planters to create their own association. Leaders of the SAA and then PDCI argued that the best solution to the manpower problem was to repeal forced labour laws as well as to eliminate administrative recruitment altogether. Actually, the leaders of the association wanted to obtain the right to negotiate directly with traditional chiefs in the north for the services of their young men.[25] The association became a vehicle not only for economic demands but political ones as well. Its national prestige and clout was immediately enhanced when one of its founders, Houphouët-Boigny, succeeded in getting the French National Assembly in 1946 to suppress the forced labour rules in its overseas territories.

Price

Both Ghana and Ivory Coast have been price-takers. Despite efforts by Ivory Coast to force prices up in the late 1980s by withholding its stock,[26] prices have fluctuated, with a long-term trend of secular decline. In fact, as Bulír notes, 'recurrent oversupplies have caused the real international cocoa price to decline by an average of 2 per cent per annum since 1950'.[27] The changing prices for cocoa affected elite and producer behaviour in some important ways. Ruling elites in Ghana and Ivory Coast assumed that more could be accomplished when cocoa prices were high relative to their country's opportunity cost structure. Thus, elites in both countries exploited the increased income from high prices to pursue industrialisation programmes, redistribute resources between different regions and ethnic communities, and consolidate patron–client relationships. At the same time, through the establishment of marketing prices and the setting of prices for cocoa, ruling elites in both countries buffered local producers from the full effect of price swings. Local producers pursued cocoa production as long as land and labour were available even when long-term declining prices indicated that these factors of production should be allocated elsewhere.

At the producer level, price was a factor in cocoa production; however, it was not a linear one. Increases in output did not follow a stepwise rise in price nor does output automatically drop with a decline in price. This was due, in part, to the fact that the global supply of cocoa beans is price-inelastic in the short run. That is, the time span between 'new plantings and their first crop is about three to five years, and trees bear beans for over 30 years with minimal maintenance and low harvesting cost'.[28] Ironically, over the long run, supply is sensitive to higher than average prices in that it has tended to provoke new plantings and new entrants, ultimately leading to chronic oversupply. When prices were low, cocoa producers neglected maintenance because of the lack of resources to employ labour and to use pesticides. More importantly, they were less likely to replace ageing trees or plant new acreage.[29]

Whether or not planters decide to employ labour or plant new cocoa trees depends on their ability to gain access to virgin forest. If they can gain access to virgin forest, cocoa planters will expand production despite a decline in price. This accounts, in part, for the anomaly of rising production even during relatively long periods of price decline or stagnation.[30] Planters are working on the assumption that low prices are a short-term problem and their losses can be recovered when the new plantings come to fruition. In most cases, the new plantings only add to future oversupply and continued depressed prices.

In Ghana and Ivory Coast, state-controlled marketing boards managed the price paid to cocoa farmers. These boards have generally set a fixed price, with the state taking the differential between the fixed price and the world market price. This form of taxation has had a complicated impact on cocoa producers. On the one hand, the fixed price has provided stability to cocoa producers, allowing them to harvest from one season to the next without worrying about price fluctuations. On the other hand, the fixed price paid by state-controlled marketing boards has not always kept pace with inflation or increased input costs, such as labour and the use of pesticides. For example, in Ghana, 'cocoa farmers were paid between 40 and 50 per cent of the world price of cocoa between 1952 and 1963. This dropped to 30 per cent in 1965 and sunk to about 10 per cent between 1975 and 1981'.[31] In Ivory Coast, the state-controlled marketing board, *la caisse de stabilisation*, did better until the early 1980s. It then found itself in the difficult position of trying to maintain a fixed price above inflation for rural producers, help rural producers meet rising input costs, and provide an increasingly indebted state with income from a shrinking differential. By the end of the 1980s, *la caisse* was near bankruptcy and the state was forced to lower its fixed price.[32]

Both states used cocoa receipts to finance their economic development. Cocoa boards loaned the money that they had siphoned from rural producers' cocoa exports to the state, often without reimbursement. The state used the money to finance development and accumulate external reserves. The only difference between Ghana and Ivory Coast was the period in which the investment booms occurred. Since Ghana had entered into cocoa production earlier than Ivory Coast and had started to reach its peak of production in the 1950s, Ghana's investment of cocoa receipts took place in this period. In contrast, Ivory Coast's investment boom would occur in the mid-to-late 1960s.[33]

In both countries, the state did not initially play a central role in the development and expansion of cocoa production. The exploitation of a tropical rent and the mix of labour and land, as we have argued, drove pioneer fronts. The state, however, did have some impact on the evolution of cocoa economies in Ghana and Ivory Coast. For example, the rise of nationalist politics in Ghana and the subsequent control of the state by the CPP contributed to accelerating the decline of cocoa production in that country. A different story unfolded in Ivory Coast. The nationalist party rode the onset of the cocoa boom into power and used its control over the state to facilitate access to land and cheap labour, often to the detriment of indigenous groups.

THE POLITICS OF COCOA DECLINE IN GHANA

Ghana achieved independence in 1957 as the world's largest cocoa producer. Cocoa generated income for cocoa farmers, traders and transporters, as well as revenue for the state. Thanks largely to cocoa, Ghana was a relatively prosperous nation, especially when compared to other African countries. More importantly, the prosperity created by cocoa contributed to the impression that the country's options were wide open.

The nationalist CPP that led Ghana to independence under Nkrumah's leadership viewed the wealth generated by cocoa production as a strategic resource in its drive to transform Ghanaian society and economy. Nkrumah wanted to industrialise Ghana; cocoa was a means to that end.[34] Nkrumah and the CPP's objectives clashed with the interests of cocoa farmers. The CPP had come to power without a solid political base in the cocoa-producing regions, especially among Ashanti cocoa producers. As a way to extend its political control over cocoa producers, Nkrumah suppressed all independent rural unions – except United Ghana Farmers' Council (UGFC) dominated by the CPP. UGFC was given a monopoly on cocoa purchasing. It became an important patronage resource for the CPP.[35]

The politicisation of cocoa by Nkrumah and the CPP exacerbated local ethnic and regional cleavages. These cleavages had already been shaped, in part, by the cocoa pioneer front that had led to migratory movements into cocoa-producing areas. Conflicts over land and labour had never entirely disappeared; however, a dynamic equilibrium had emerged due to the expanding economy. This equilibrium was punctured by the nationalist mobilisation efforts of the CPP and the party's hegemonic drive before and after independence.[36] The forced effort at industrialisation and the sharpened ethnic and regional conflict undermined the rural economy and did not result in the development of an industrial one.[37]

In the early 1960s, Ghana entered a negative cycle of political instability and economic decline. By the time Nkrumah was overthrown by the military in 1966, the country's economy was in disarray. Contributing to the economic crisis and Nkrumah's downfall was a sharp drop in cocoa prices in 1964–65. Although cocoa prices would rebound somewhat in the late 1960s, Ghana's cocoa production would start to decline sharply in the early 1970s. This decline was driven by three factors.

First, yields from older cocoa-producing areas started to drop, leading to an increase in input costs.[38] In the past, the solution to this problem was to expand into new virgin forest. However, by the 1960s, the pioneer fronts that had contributed to Ghana's rise to the position of the world's largest cocoa producer ran into a political obstacle, which was the second factor in the decline of cocoa. While virgin forest continued to exist in Ghana, access to it had become more difficult because of conflicts over land tenure and the establishment of state-run collective farms by the Nkrumah regime. Nkrumah's drive to control rural producer associations undermined the delicate balance that had developed in villages between village chiefs and outsiders. The redrawing of regional boundaries and the replacement of local chiefs by individuals loyal to the CPP resulted in the politicisation of village politics. This placed traditional village chiefs in opposition to the national government. Also, the relationship between the indigenous population and outsiders became politicised as well. The CPP attempted to shift the clientelistic relationship between Ashanti farmers, village chiefs and migrant labourers. It did so by gaining increasing control over loans and farming inputs – such as fungicides and cutlasses – to rural producers. The CPP appointed officials to rural cooperatives that made decisions over how loans and farm input resources were distributed. The third obstacle was also political. Just as the cost of labour started to rise, the government increased its siphoning of cocoa revenue.

Faced with an external debt crunch and domestic revenue problems, the government decided to 'decrease the producer price of cocoa in the 1965 buying season, in order to use the differential in paying interest on international loans and to meet government obligations'.[39] Furthermore, increased state expenditure on education and other development projects affected the opportunity cost of labour and capital. As Beckman states:

> [T]he cocoa-based growth of the public economy bore a major responsibility for rising labour costs: the public sector had become the most important source of wage employment and government wage rates exercised upward pressures on wages in the economy as a whole. The massive expansion of public education added to the labour shortage by withholding child labour from production . . . The number of people withheld from agriculture was in excess of the number who actually found employment in the new wage-earning sector. In this way, the rise of the public economy undermined both directly and indirectly the system of production which provided its financial base.[40]

Thus, the predatory strategy of Nkrumah and the CPP affected the two key factors of production – land and labour – in cocoa.[41] By trying to gain a monopoly over the cocoa rent, the regime created disincentives to any further expansion of pioneer fronts in Ghana. Cocoa farmers in Ghana did not attempt to overcome their declining share in cocoa by migrating to new areas in the forest belt nor did they allow migrants to gain access to land. Since there was no rise in investment in fertilisers and other inputs to increase output on ageing farms, Ghanaian cocoa production started to stagnate and then decline by the 1970s.

When the Progress Party (PP) of Dr Kofi Busia won the elections in 1969, the economic situation was more stable than at the time of the ousting of Nkrumah three years earlier. The underlying structural crisis, however – notably land and labour shortages, ageing cocoa plants and ethnic competition over scarce resources – was only intensifying. As would happen in Ivory Coast two decades later, outsiders became scapegoats. In 1969, the Busia government passed the 'Aliens Compliance Act' that led to the forceful removal of foreigners from the country.[42] This had a devastating impact on Ghana's cocoa production. As Mikell notes, 'many of the aliens had replaced Akan young people who had migrated from the cocoa areas. Thus, the impact of the act was to further deprive an already labour-starved rural area of needed manpower'.[43]

Busia's civilian government was overthrown by the military in 1972. The National Redemption Council of Acheampong made a bad situation worse. The council reinstated the previous unitary system of cocoa purchasing; it dismantled the open-market policies of the Busia government; and it expanded the money supply to finance its budget deficits. The immediate effect of these policies was to depress the already stagnant or declining incomes of rural producers. Two things happened to Ghana's cocoa economy. First, the already tight labour situation and the ageing plant and producer population led to the abandoning of many cocoa trees. Second, smuggling increased significantly across the border to Ivory Coast.

Due to the factors outlined above, Ghana found itself at a comparative disadvantage in relation to Ivory Coast. New pioneer fronts in Ivory Coast were just starting to accelerate when Ghana's ended. Ivory Coast benefited from the northern migrant labour that abandoned Brong-Ashanti cocoa areas and from the smuggling of cocoa produced in Ghana, estimated at 40–60,000 metric tons.[44] The cocoa boom that had once made Ghana the richest nation in West Africa had gone bust. As Okeyere put it, 'production fell by 72 per cent over the next 20 years, to a low of about 129,000 tons in 1984. Ghana's share of world cocoa exports also declined over this period'.[45] It declined by about 18 per cent, leaving Ghana in third place behind Ivory Coast and Brazil by the late 1970s.

Although Ghana's cocoa sector has not regained the position it had in the past, it did recover somewhat following the economic stabilisation programme put into place by Rawlings' government in the 1980s. In the early 1980s, the former populist military officer embraced the IMF and World Bank's structural adjustment programmes that were targeted at reducing the size of the state and allowing market forces to determine the production and allocation of resources in the economy. The Bank viewed the rehabilitation of the cocoa sector through market dynamics as an important objective. State control over the cocoa marketing board was ended and farmers received a higher percentage of world market prices for their cocoa.[46] However, due to a particularly virulent disease affecting Ghanaian cocoa trees and the dominant position that Ivory Coast had gained in cocoa exports, along with stagnant prices for the crop, cocoa has never regained the strategic position in the country's economy that it once had.

THE POLITICS OF COCOA EXPANSION AND DECLINE IN IVORY COAST

Whereas state actions in Ghana contributed to the country's decline as a major cocoa producer, the opposite was the case in Ivory Coast. Until the late 1980s, a positive-sum relationship existed between the state and cocoa producers. The state drew a significant portion of its revenue from direct and indirect taxes. These resources were used in two different ways. First, they allowed President Houphouët-Boigny to consolidate his political position through the dispensation of patronage resources. Second, the revenue accounted for much of the state's investment budget in the 1960s and 1970s.[47] Cocoa producers benefited from state subsidies that covered part of the transportation costs of getting the export commodity to the port. They received technical support from a parastatal structure that expanded along with the rise in the country's national wealth.

Everything was done to facilitate the development of new pioneer fronts. As Chauveau and Léonard noted, 'permissive immigration legislation was adopted, and easy access to land was justified by the slogan "the land belongs to those who make it bear". Pressure was put on local elites to welcome migrants, generous concessions of land from colonial forest reserves were authorized, and prices were guaranteed through marketing boards'.[48] Also, the state was particularly lax in its protection of the nation's forest, until most of it was gone.

The opening up of new pioneer fronts gave both Ivorian society and politics an upbeat quality. As the earlier areas of cocoa production in the south-east became less productive because of deforestation and declining yields, migrants moved further west. The migratory movements led to the ethnic diversification of the country's forest zone. Few areas with exploitable tropical forestland remained ethnically homogeneous. While this often generated conflicts between outsiders and the indigenous populations, it also allowed the state to extend its authority and to pre-empt the emergence of ethnic tensions.[49] This strategy was not always successful. In the early 1970s, the state had to use force to put down a rebellion among the Bété in the Gagnoa (central-western) region. Competition and conflict between indigenous Bété and outsiders, in particular Baoulé and Dyula communities, arose over the control of land and labour resources.[50] Generally, though, the state's protection resulted in a positive-sum situation for most actors.

All of this started to change in the 1980s. The cocoa boom in Ivory Coast was reaching its structural limits. The rapid expansion of pioneer fronts and the export of timber led to a depletion of the country's forest. In just over 20 years, Ivory Coast destroyed about ten million hectares of tropical forest.[51] The destruction of tropical forest and the heavy dependence of rural producers and the state on cocoa revenue have resulted in the over-exploitation of the remaining tropical forest. As López puts it, 'the fact that producers do not consider the total social cost of biomass in their land allocation decisions implies that biomass is overexploited and that agriculture income is below its optimal'.[52] Ivorian rural producers are now facing the classical economic dilemma of marginal returns. Their response has largely been to produce even more cocoa. In other words, as Lopez adds, 'farmers are cultivating too much land to maximize the village income'.[53]

Because little tropical forest remains, cocoa producers have moved deeper into protected forest reserves.

The end of the cocoa boom has led to an intensification of political and social conflicts that are reminiscent of Ghana in the late 1960s and 1970s. For example, the position of foreigners has become more precarious. Until recently, they enjoyed the same rights as citizens. They were allowed to vote, to purchase land and to participate in the government. In the early 1990s, this changed. They were no longer allowed to participate in the country's elections. In fact, foreigners became the centre of contention between the government and the opposition. Initially, the opposition called for a restriction on the rights of foreigners. The government took over this issue and forced through a change in the country's citizenship laws, essentially taking away the right of outsiders to participate in elections. Furthermore, Ivory Coast has experienced increased tension between natives and foreigners over access to land and labour.[54]

Cocoa and Chaos in Ghana and Ivory Coast

Ivory Coast has entered into a cycle of political and economic chaos later than Ghana. Ghana's crisis arrived sooner because its cocoa-driven economy went bust before that of the Ivory Coast due to the historical timing and the subsequent dynamics of pioneer fronts. In other words, Ghana started exploiting its forest rent before its neighbour. It thus reached the structural crisis of ageing plants and increased input costs much sooner. The structural crisis in Ghana does not by itself account for the political and social crises that undermined regime stability. Instead, it was caused by the options those in power in both countries selected during the boom and bust phases of cocoa production. As already stated, Nkrumah believed that surplus revenue generated by cocoa would allow him to transform the economy of the country from agriculture to industry. He failed. In some ways, Houphouët's regime was more successful. He succeeded in using the cocoa revenue to develop the country's infrastructure, to diversify its agricultural base and to lay the foundation for some limited import-substitution industrialisation. His attempts were not enough, however, to escape the declining revenue from cocoa exports, a burdensome external debt and the eventual dependence on the International Monetary Fund and World Bank.

In each case, land, labour and ethnicity became volatile mixes that soon undermined social and political stability. The argument presented in this article is that these crises arose from the inherent paradox in the structure of cocoa expansion. In order to exploit the forest rent, pioneer fronts were required. Opening of virgin forest to exploitation required cheap labour. This, *ipso facto*, led to an increased ethnic mixture and interaction. During the boom phase, there were few serious problems between local communities and outsiders. However, once the factors of production – land and labour – became scarce, the situation changed dramatically! The once upbeat quality of pioneer fronts that had defined local and national economic development degenerated into a conflict dynamic that engulfed elites and cash crop farmers alike.

Both the positive and negative aspects of the cocoa sector were driven by pioneer fronts and migrations. In Ghana, 'the southward migration of northern cocoa labourers only compounded the mix of Akwapim, Shai, Krobo, Fanti, Ga, Ewe, Brong, Gyama and Gonja peoples within towns and villages in the Ashanti region'.[55] As noted, such migration is central to cocoa expansion; however, it brings with it latent conflicts that only intensify as competition over scarce resources sharpens. As Mikell observed:

> Central to this conflict were the following factors: (a) it represented a major challenge to historical Ashanti territorial domination as well as to its rights to control proceeds from the cocoa industry; (b) it foreshadowed the larger and still unrecognised issue of whether chieftaincy and traditional aristocracy deserved a dominant place in modern Gold Coast politics, as contrasted to popular and democratic representation in non-traditional units and organizations; and (c) it revealed the depth of conflict concerning national and urban as against ethnic control of resources and capital generated in rural areas.[56]

Unlike in Ghana, however, the cocoa crisis has generated in Ivory Coast a number of crises that not only undermined regime stability, but led to a civil war. From the 1960s to the early 1980s, the 'winners' in the consumption of the forest rent were the Baoulé. In the late 1990s, they started to lose their dominance. In the meantime, migrants such as the Mossi (the largest ethnic group from Burkina Faso) have succeeded in monopolising labour and drawing some revenue from older cocoa fields that the Baoulé and other Ivorian ethnic groups are not able to exploit without incurring losses. The shift in fortunes is resulting in violence against foreigners – provoking the flight of several hundred from the country – and generating national hysteria about who is and who is not an Ivorian.

Unlike in Ghana, cocoa remains central to the political, social and economic logic of Ivory Coast's economy. Any solution to its current crisis can only occur through the resolution of the salient conflicts over land and labour in the cocoa-producing regions. The World Bank's solution of abolishing the state marketing board – *la Caisse* – and advocating a titling of land and a market determination of migrant labour flows did little to undo the negative effects of the logic of rent-seeking. In fact, a movement towards titling land and providing some legal basis to migrant workers led to indigenous populations in the cocoa belt reclaiming rights over land that had been ceded to outsiders.

CONCLUSION: A THEORETICAL SUMMARY

A paired comparison cannot prove anything general.[57] But with the help of a broader theoretical framework and the use of middle-range concepts, paired comparisons do generate useful descriptive analysis. In this article, I have used a paired comparison to explore the relationship between the rent-seeking behaviour of ruling elites, cash-crop farmers and regime crises in Ghana and Ivory Coast. This article has not attempted to account for the entire political and economic developments of these countries. The focus has been on the effects of rent-seeking on elite and local producers in two different contexts and how this relates to the stability and instability of these countries' regimes during these periods.

In accounting for the crises that each country experienced at different points in time, I postulated that changes in the structural conditions of the cocoa sector contributed to the variation in regime outcomes: stability versus instability. This occurred because the cocoa sector had a disproportionate part in determining the strategy of ruling elites in their effort to control the decision-making processes of the state and the allocation of the consumption and investment resources gained from controlling the commercialisation of the cocoa rent.[58] Such control inevitably results in highly politicised interactions between elites, especially in multi-ethnic societies. During the boom phase, the politicised nature of rent allocation is managed without too direct a threat to regime stability. During the bust phase, allocation decisions are contested among elites often along ethnic, sub-regional or regional cleavages. The intensified competition is over the control of a shrinking resource.

This article has shown that the rent-seeking process in Ghana and Ivory Coast in the cocoa sector was not simply an elite game. Also, the cocoa sector shaped the strategies of local producers and the development of local economies. The way in which the cocoa rent was exploited at the village level affected the allocation of land and labour. In terms of land, 'the cultivation of cocoa has meant the development of "permanent" use rights in the land. Consequently, the value of the land has been enhanced, the income concept of peasant farming changed, and the indigenous concept of landed property thrown into disarray'.[59] During the boom phase, the underlying conflicts over land were managed by the intervention of local and state authorities with varying results.[60] During the bust phase, competition and conflict over shrinking factors of production heightened conflicts at the local level.

NOTES

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