

# Rural–Urban Dynamics

Livelihoods, mobility and markets  
in African and Asian frontiers

*Edited by*

**Jytte Agergaard, Niels Fold and  
Katherine V. Gough**



Routledge Studies in Human Geography

# Rural–Urban Dynamics

It has increasingly been recognised that rural and urban areas are inextricably interlinked. This book adopts a fresh approach to the issue of rural–urban dynamics through a study of the changing nature of livelihoods, mobility and markets in ten study sites across four countries of Africa and Asia. Building on detailed fieldwork conducted in Ghana, Tanzania, Vietnam and Thailand, the authors explore how settlements and livelihoods are being transformed as long-term inhabitants and recent migrants embrace new economic activities, many of which are linked to global markets.

The book is structured around the concept of ‘frontier’ which is conceptualised as being a dynamic space where the forces of economic, demographic and social change are brought to bear. The study sites include agricultural frontiers (coffee, cocoa, pineapples and fresh fruit), handicraft and manufacturing frontiers, and mining frontiers (gold and diamonds). In all of the cases, global value chain dynamics have played a pivotal role in shaping local livelihoods. Some settlements are developing into new urban centres whilst others are suffering from a boom and bust experience due to the unreliability of export markets. The similarities and differences between the frontier settlements are drawn out by comparing frontiers of similar types and by highlighting the theoretical and policy implications of the findings from all of the frontiers.

The originality of the book lies in its combination of conceptual clarity, methodological coherence and empirical richness. By combining detailed empirical findings with theoretical insight from debates on livelihoods, global value chains, mobility patterns, settlement dynamics and rural–urban relations, the book sheds new light on these issues within an overall framework of development trajectories in Africa and Asia. Given scholars’ and international agencies’ current interest in the spatial dimensions of economic development, this contribution is particularly timely with its fresh geographical approach to development issues. This book is a pertinent and authoritative read for anyone researching or learning in the field of development.

**Jytte Agergaard** is an associate professor in the Department of Geography and Geology at the University of Copenhagen. Her main research focus is on

mobility, migration and livelihoods. She has in particular focused on development issues in Nepal, researching frontier development, migration, gender inequalities and community-based schooling. Recently, she has been engaged in development in Vietnam, and lived in Hanoi and Dak Lak Province for ten months in 2005–2006. She has also been concerned with recent trends in human geography, especially current trends in social geography and geographies of globalisation. She is a member of a number of networks on development research in Denmark and abroad.

**Niels Fold** is professor in the Department of Geography and Geology at the University of Copenhagen. His current research interests revolve around the dynamics of cross-continental food commodity chains and food trade in the Asia-Pacific region. He has worked on globalisation and economic restructuring in Africa, in particular on global agro-industrial chains with relevance for perennial crops in Ghana (cocoa, oil palm, shea nuts). Previously Niels was engaged in research on industrial development in Malaysia, both on upgrading processes in the palm oil industry and on local industrialisation trajectories (Penang).

**Katherine V. Gough** is a British-trained geographer who is employed as associate professor in the Department of Geography and Geology at the University of Copenhagen. Her main research focus is urbanisation in the Global South with a particular interest in urban land and housing markets, urban governance and civil society, home-based enterprises, urban youth and urban mobility. Her principal research areas are Latin America and West Africa though more recently she has started working in the Asia-Pacific region. She has a particular interest in conducting comparative research and longitudinal studies. Katherine works in an advisory capacity to the Danish International Development Agency (DANIDA) on urban issues.

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# Contents

<i>List of illustrations</i>	xi
<i>List of figures</i>	xii
<i>List of tables</i>	xiv
<i>Notes on contributors</i>	xvi
<i>Acknowledgements</i>	xix

<b>1 Introduction</b>	1
JYTTE AGERGAARD, NIELS FOLD AND KATHERINE V. GOUGH	
<b>2 Conceptualising and performing comparison of rural–urban dynamics</b>	9
KATHERINE V. GOUGH, JYTTE AGERGAARD, NIELS FOLD AND LASSE MØLLER-JENSEN	
<b>3 Small town development in the Ghanaian cocoa frontier</b>	23
MICHAEL HELT KNUDSEN	
<b>4 Living from coffee in Vietnam’s Central Highlands: Susceptible livelihoods and diverse settlement transformations</b>	41
JYTTE AGERGAARD	
<b>5 Rise and fall of smallholder pineapple production in Ghana: Changing global markets, livelihoods and settlement growth</b>	59
KATHERINE V. GOUGH AND NIELS FOLD	
<b>6 Transforming livelihoods and settlements: Fruit production and urbanisation in Vietnam’s Mekong Delta</b>	74
HOANG XUAN THANH AND CECILIA TACOLI	

<b>7</b>	<b>Agricultural frontier settlements: Markets, livelihood diversification and small town development</b>	90
	NIELS FOLD AND CECILIA TACOLI	
<b>8</b>	<b>Handicrafts in Vietnam: Rural urbanisation in the Red River Delta</b>	99
	KATHERINE V. GOUGH AND DANG NGUYEN ANH	
<b>9</b>	<b>A revolution in the Thai handicraft industry? Handicrafts, integration and rural development in Northern Thailand</b>	116
	JONATHAN RIGG, SURIYA VEERAVONGS, PIYAWADEE ROHITARACHOON AND LALIDA VEERAVONGS	
<b>10</b>	<b>From farm to factory: Village change in a rice-growing region</b>	134
	JONATHAN RIGG, SURIYA VEERAVONGS, PIYAWADEE ROHITARACHOON AND LALIDA VEERAVONGS	
<b>11</b>	<b>Handicraft and manufacturing frontier: Transforming livelihoods, re-shaping settlements</b>	151
	KATHERINE V. GOUGH AND JONATHAN RIGG	
<b>12</b>	<b>Rural–urban transitions in Tanzania’s northwest mining frontier</b>	158
	DEBORAH FAHY BRYCESON AND ROSEMARIE MWAIPOPO	
<b>13</b>	<b>The dynamics of the gold mining industry and its effects on settlements and livelihoods in Wassa West District, Ghana</b>	175
	PAUL W.K. YANKSON	
<b>14</b>	<b>Frontier mining settlements: Livelihood promises and predicaments</b>	189
	DEBORAH FAHY BRYCESON AND PAUL W.K. YANKSON	
<b>15</b>	<b>Conclusion</b>	198
	NIELS FOLD, KATHERINE V. GOUGH AND JYTTE AGERGAARD	
	<i>Index</i>	206

# Illustrations

3.1	Labourers opening cocoa pods in Amoaya	31
3.2	The main street running through Bonsu Nkwanta where settlement growth has taken place since the late 1990s	35
4.1	Typical coffee settler's house, located close to the smallholder's coffee-growing land	45
4.2	The northern entrance to the provincial capital Buon Ma Thout, which is gradually expanding to include rural coffee settlements on the outskirts	49
5.1	Freshly harvested pineapples lie by the roadside ready to be packed into containers and loaded into a waiting truck	63
5.2	The street running through the centre of Obom where most of the stores are located	67
6.1	The Mekong Delta's extensive waterways system links orchards to market nodes, from where produce is shipped to domestic and international markets	77
6.2	Agricultural markets drive the transformation of market nodes in the Mekong Delta from large villages to centres with more urban features	87
8.1	An elderly woman engaged in embroidery in her home in Quat Dong	104
8.2	Workers engaged in lacquerware production in a workshop in Ha Thai	107
8.3	Wealth generated by lacquerware production has enabled many households to build new homes in Ha Thai but the ponds and surrounding agricultural land have been polluted	112
9.1	Surrounding agricultural landscape of Ban Mor	120
9.2	Sanding mango wood in a workshop in Ban Mor	123
9.3	<i>Saa</i> paper 'factory'	126
10.1	Dormitory block in Ban Khokmayom	141
10.2	Ban Khokmayom and Rojana Industrial Park	142
12.1	Gold production in Nyarugusu	161
12.2	Diamond production in Manganzo	163

# Figures

3.1	Map showing location of study settlements in Juaboso District	27
4.1	Map showing location of study communes in Dak Lak Province	46
4.2	Head of household's year of arrival in Dak Lak Province in cumulative per centage of total number of households	48
5.1	Map showing location of study settlements in the pineapple frontier	65
6.1	Map showing location of study settlements in the Mekong River Delta	79
6.2	Typical market chains of Lo Ren milk fruit, Hoa Loc mango and Nam Roi pomelo	86
8.1	Map showing location of study settlements in the Red River Delta	102
9.1	Map showing location of study settlements in Northern Thailand	118
9.2	Sum of primary, secondary and tertiary activities, by selected occupation, Ban Mor, 1995 and 2005	121
9.3	Sum of primary, secondary and tertiary activities, by selected occupation, Ban Pasakluang, 1995 and 2005	122
10.1	Map showing location of study settlements in Central Thailand	136
10.2	Age and occupational status of adult household members: Ban Khan Haam and Ban Khokmayom, 2005	143
10.3	Formal/skilled and casual/unskilled occupations among working-age household members: Ban Khan Haam and Ban Khokmayom, 2005	143
10.4	Daily mobility and purpose on the day prior to the survey: Ban Khan Haam and Ban Khokmayom, 2005	146
12.1	Map showing location of study settlements in northwestern Tanzania	162
12.2	Migrant household heads' year of arrival	164
12.3	Household heads' livelihood activities	167

12.4	Size of household land holdings	168
12.5	Percentage of total population aged 15–34 in 1978, 1988 and 2002	169
13.1	Location of Teberebie gold mine in Wassa West District	178

# Tables

1.1	Overview of the nine frontier cases in relation to the frontier typology	5
2.1	Summary of fieldwork stages	18
2.2	Data collection in the frontier settlements	19
3.1	Population data on the four study settlements	28
3.2	Livelihood characteristics of the four study settlements	29
4.1	Background statistics for the four survey communes, 2004	47
4.2	Background statistics for the survey villages	47
4.3	Diversity in housing standards in the four survey communes	49
4.4	The significance of households' engagement in coffee farming	52
4.5	Patterns in income diversity 1996 and 2006: number of households acquiring their income from various income activities	53
4.6	Percentage of households possessing selected means of transportation	55
5.1	Ethnic groups of the inhabitants of Pokrom and Obom	66
5.2	Employment sector for workers in Pokrom and Obom	69
6.1	The two study provinces: essential information	78
6.2	Structure of respondents' average household incomes in 2005	82
6.3	Long-term mobility	84
8.1	Participation in income-generating activities in Quat Dong and Ha Thai by gender	108
8.2	Attractiveness of handicraft to young people in Quat Dong and Ha Thai	109
8.3	Size of houses in Quat Dong and Ha Thai	110
8.4	Possession of selected household goods in Quat Dong and Ha Thai	113
9.1	Summary statistics: Ban Mor and Ban Pasakluang	122
9.2	Age and occupational status, by proportion of respondents in each age category, 2005	129

10.1	Ban Khan Haam and Ban Khokmayom, background statistics	135
10.2	Mobility in Ban Khokmayom and Ban Khan Haam	145
12.1	Comparative household demographic statistics by settlement	164
12.2	Stated primary and secondary occupations of household heads	166
13.1	Major economic activities of households in Tarkwa in 1995 and 2005	181
13.2	Proportion of income from household economic activities generating most income in Tarkwa in 1995 and 2005	181
13.3	Proportion of income from household economic activities generating most income in Teberebie and Adieye in 1995 and 2005	182



# Contributors

**Deborah Fahy Bryceson** is a reader in urban studies at the Geographical and Earth Sciences Department at the University of Glasgow. She has been engaged in academic as well as policy-oriented research in Africa for many years. One of her main research areas is livelihood, mobility and settlement in processes of economic transition. This has included studies on de-agrarianisation, occupational change, rural transport, urbanisation in developing countries, urban economies, urban growth and mobility patterns of the poor, and urban food supply constraints. She was involved in coordinating a large collaborative programme on de-agrarianisation and rural livelihoods with research teams in various African countries funded by the Dutch Ministry of Foreign Affairs. More recently she has researched the social history of urban violence in East Africa's major capital cities.

**Dang Nguyen Anh** is senior researcher and programme manager for Population and Development at the Asia-Pacific Economic Center, Hanoi. He has over 20 years' experience in internal and international migration issues in Vietnam and Southeast Asia, and has advised international agencies (ILO, UNDP) and bilateral agencies (DFID) on these topics. Since 2000 he has been collaborating with IIED in an on-going project on rural–urban linkages in Vietnam, supported by Danida, Sida and SDC.

**Michael Helt Knudsen** has an MSc and PhD in geography from the Department of Geography and Geology, University of Copenhagen. His main research focus is the livelihoods, mobility and settlement dynamics taking place in the Global South. His principal research area is Ghana, West Africa. He is currently employed by a consulting company dealing with global climate change issues and their impact on livelihoods and ecosystems around the globe.

**Lasse Møller-Jensen** is an associate professor at the Department of Geography and Geology, University of Copenhagen. He is an expert in remote sensing and Geographical Information Systems who has specialised in urban applications of remote sensing techniques with special reference to developing countries. Lasse implements dynamic spatial models in

raster- and vector-based Geographical Information Systems, and has developed a location-allocation model for service planning with particular reference to Ghana. He also has a special interest in the web-based distribution of geo-data.

**Rosemarie Mwaipopo** (Sociology Department, University of Dar es Salaam) has done extensive research on small-scale mining communities in Tanzania, documenting the growth and changing nature of gold- and diamond-digging communities. She is interested in the conflicts arising at the interface between large- and small-scale mining. She did her Masters at the University of Dar es Salaam and her PhD in anthropology at the University of Cape Town.

**Jonathan Rigg** is a professor in the Department of Geography at Durham University and has been working on development issues in Southeast Asia for a quarter of a century. His research focuses on the ways in which trajectories of change in the region have reworked livelihoods, reoriented spatialities of living, and redrawn the boundaries between rural and urban. Jonathan is interested in the trade-offs and interactions between these changes, encompassing such issues as human mobility, de-agrarianisation, and the delocalisation of work. The social and cultural roots and outcomes of economic processes, and their spatial manifestations, are also central to his research.

**Piyawadee Rohitarachoon** is a lecturer at Naresuan University, Phayao, Thailand and was formerly a researcher at Chulalongkorn University's Social Research Institute. Her interests lie in how social and economic transformation are affecting quality of life, and the politics of development.

**Cecilia Tacoli** is a senior researcher at the International Institute for Environment and Development, based in London. She coordinates a long-term programme of collaborative work with partners in Asia and Africa that documents processes of urbanisation and the related transformations in the livelihoods of the rural and urban poor, with a focus on policy implications.

**Hoang Xuan Thanh** is the director of Ageless, a consultancy firm based in Hanoi which specialises in rural and urban poverty reduction policy analysis and research. Since 1992, he has collaborated with international NGOs, international and bilateral donor agencies and the government of Vietnam in developing participatory approaches and building capacity in both public and private sectors. He is co-author of a 2004 research project on rural-urban linkages and livelihood transformations in the Red River Delta, in collaboration with IIED, and is currently working with Oxfam and ActionAid Vietnam on developing a methodology for the monitoring of poverty in several Vietnamese provinces and cities. He is a member of the Vietnam Economics Association.

**Lalida Veeravongs** is a researcher at the Chulalongkorn University Social Research Institute (CUSRI), Bangkok, Thailand. Her work has encompassed projects investigating livelihood and political change in the North, Northeastern and Central regions of the country.

**Suriya Veeravongs** is a senior researcher at the Chulalongkorn University Social Research Institute (CUSRI), Bangkok, Thailand. She has been researching the rural and urban dimensions of social and cultural change in Thailand since the 1970s, and has worked with numerous international organisations and national agencies.

**Paul W.K. Yankson** is professor and Director of the Remote Sensing Applications Laboratory at the Department of Geography and Resource Development, University of Ghana. His research has focused on urban and regional development issues, particularly on urbanisation in Ghana, the urban informal sector, urban and peri-urban land management and governance, local government reforms and regional development, resource management, remote sensing and GIS application in urban studies. He has undertaken consultancy services for both national and international institutions such as the UNDP, World Bank, and ILO/JASPA (Jobs and Skills Programme for Africa). He has served on a number of national committees including the National Inter-sectoral Working Group on Proposed Urban Development Programme.

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# 1 Introduction

*Jytte Agergaard, Niels Fold and  
Katherine V. Gough*

For decades, scholars have been interested in rural–urban relations, rural–urban interactions, and rural–urban dynamics. Work on themes such as urban peasants, the role of intermediate urban centres, and urban bias in development, are all ‘old’ concerns. These themes, however, need to be re-examined in the light of new and intensifying globalisation processes. Lives and livelihoods are being profoundly re-worked as processes of market integration, modernisation and industrialisation are brought to bear in new and more intense ways. The functional integration of economic activities across regions, together with new trading regimes, is manifested in new international divisions of labour that link people and places in the Global South to global markets in new ways. Peasants are becoming post-peasants; households are being divided by generation and gender; livelihoods are becoming increasingly delocalised; interlocking livelihoods and occupational multiplicity are displacing more singular ways of making a living; and de-agrarianisation is replacing the more familiar process of agrarian transition.

This book is concerned with how changes in local livelihoods in relation to economic globalisation are articulated as spatial transformations; in particular how the rural and the urban are taking new forms. Through a study of nine ‘frontier’ sites in Africa and Asia we explore the multi-faceted and changing nature of the links between livelihoods, mobility and markets. We conceptualise a ‘frontier’ as being a particularly dynamic space where the forces of economic, demographic and social change are brought to bear. These include agricultural frontiers, handicraft and manufacturing frontiers, and mining frontiers where global market dynamics have played a pivotal role in shaping development trajectories. By combining detailed empirical findings with theoretical insights from debates on rural–urban linkages, global value chains, livelihoods and mobility patterns, we throw new light on these issues within an overall framework of development trajectories in Africa and Asia.

This book is the product of the efforts of a multi-national team of scholars, mainly geographers, who have worked together over four years to elucidate these issues. The research programme, and the book, have been guided by a number of overall questions:

- Focusing on rural–urban dynamics, how do particular trajectories of market integration impact on livelihood, mobility and settlement transformation, and what similarities and differences can be drawn by comparing similar frontiers?
- Focusing on the national level, what is the significance of frontier dynamics, how do they impact on national development trajectories, and in this respect, what are the methodological challenges involved in scaling up the findings of the frontier settlement studies?
- What lessons can be drawn from cross-continental comparisons of rural–urban dynamics in African and Asian countries, and what factors are behind differences in settlement transformation?
- What analytical advances concerning interactions between global market dynamics, livelihoods and mobility have been uncovered, and in this respect, what intrinsic methodological limitations of the frontier approach should be considered?
- What are the policy implications of the findings, in particular regarding how to design policy mechanisms that both capture the complexity of rural–urban dynamics and are directed towards improving the livelihoods of marginalised groups and promoting regional economic development?

## **Frontier development**

A straightforward definition of a frontier is provided by Mikesell (1960: 62) who characterises a frontier as ‘the outer edge of settlement within a given area’. The frontier, however, is usually represented by an image of resource abundance. Although invasion and settlement of uncultivated areas have taken place throughout human history, the role of frontiers in development stems from the frontier thesis on American development put forward by Fredrick Jackson Turner in 1893 (Barbier, 2005). Settlers’ ability to tame the virgin environment, he argued, fostered economic equality, created strong individualists who could cooperate, and encouraged democracy and liberty as guiding principles – all characteristics of the American ‘national’ character. Turner portrayed pioneers as self-made men who tamed and civilised the ‘wild west’ independent of any guidance or support from the Old World hence creating a New World. Frontier development is generally characterised as being the inclusion of ‘unexplored regions’ or ‘undeveloped space’ into the national economy (Cleary, 1993).

Turner’s ideas have been hotly debated. One fundamental criticism is that the thesis builds more on romanticism and nationalism than objective facts and rests on a naïve expression of environmental determinism (Mikesell, 1960; DeKoninck, 2000). Turner also overlooked how different population groups interact while creating frontier settlements and how their different social and cultural ideals influence the nature of the frontier. Furthermore, free land is just one manifestation of a frontier. The role of petty capitalism and urbanisation may be as important for understanding the political and

economic dynamics of frontiers. It has been argued that the following issues are central to understanding frontier dynamics: (1) the relationship between immigrants and indigenous people; (2) whether colonisation is, or is not, checked by environmental, technological, or human barriers; (3) the social and economic conditions prevalent on the frontier; (4) the nature of mobility and urbanisation within the region (Mikesell, 1960; Cleary, 1993).

Modern frontier development tends to involve a state strategy (Barbier, 2005). In order to deal with immediate economic and political problems, states have eagerly supported the opening up of frontiers and thus secured land and incomes for smallholders. This strategy is often called a 'demographic safety valve' because pressures on land and resources in densely populated and resource-scarce regions are removed by providing new opportunities at the frontier (Shrestha, 1990; Cleary, 1993). While often accompanied by planned settlement, and thus 'support' for pioneers, the long-term strategy of frontier settlement is also to secure the state and dominating classes access to surplus resource extraction (Shrestha, 1990; De Koninck, 2000). However, continued frontier development cannot be assumed as the engine behind it may lose momentum, investments may stall, and settlers may have to revise their ideas and plans. Building on this observation, Barbier (2005) has argued that, while frontier expansion will inevitably open up the local economy and lead to a boom, the boom will be followed by a bust even if commodity prices and trade remain unchanged. Recently, this simplified boom-and-bust approach has been modified by Ha and Shively (2008), who argue that socio-economic groups of smallholders may respond to price fluctuations differently according to their ethnicity and access to resources. In the same vein, it has been argued that socio-spatial variation within the frontier region may also impact on smallholders' responses to price fluctuations on the world market (Agergaard *et al.*, 2009).

### **Frontier regions, settlement and cases**

Drawing on the traditional frontier concept, and the related critique presented above, we expand the conceptualisation of frontier regions in order to construct an analytical space in which intense global–local interactions take place. The frontiers selected are characterised by being heavily linked to world market dynamics through intensified exports of a particular commodity (coffee, cocoa, gold) or product category (handicraft, fresh fruit). These frontier regions are characterised by rapid changes in demographic structure, economic basis, occupational possibilities, and land use. Consequently they experience high rates of immigration and changing livelihood opportunities, such as through the establishment of new commercial activities. Previously stagnating economic activities are being replaced by new activities, predominantly the production of export-oriented commodities or processed goods which are experiencing increasing demand on the global market. Thus, the term 'frontier' is not only used to denote areas that are advancing in a



spatial sense, but also includes areas that are experiencing social and economic fluidity due to new opportunities.

Associated with the influx of people into these frontier regions are new settlement processes and patterns. Existing settlements are consolidated and thus become increasingly densely populated, as well as expanding on their fringes. In some cases new settlements are established to house the migrants. Some of these settlement patterns defy mainstream views of the rural–urban dichotomy as they are difficult to characterise as either rural or urban. Others consist of overgrown villages or small towns that have experienced rapid and spontaneous expansion without developing the physical and functional infrastructure or organisational capacity linked to urbanisation. Some settlements may in time acquire the economic strength to transform themselves into regional growth centres and thus reduce the migration pressure on major cities. The term ‘settlement’ thus connotes a diversity of forms of human habitation along the rural–urban continuum. Accordingly, settlements located within these frontier regions provide an ideal location in which to explore the role of rural–urban links within livelihood strategies, from the perspective of both the ‘winners’ and ‘losers’ in society. Central to such an analysis is gaining a historical understanding of the origins of rural–urban linkages and how they have been shaped by individuals and institutions over time.

The book adopts a comparative approach to rural–urban dynamics and explores the similarities and differences in how they impact on livelihoods, mobility and settlement in two continents where the changes taking place are strikingly different. In Africa, as the manufacturing sector generally offers limited income-generating opportunities, most diversification of income is confined to the service sector or to extractive enterprises like small-scale mining. In Southeast Asia, the expansion of the industrial and manufacturing sector offers a wider range of possibilities for productive employment, although this tends to vary depending on national and regional characteristics. The selection of four countries, namely Ghana, Vietnam, Tanzania and Thailand, reflects the authors’ long-standing research experience in these countries, and each frontier project was selected in order to generate new knowledge regarding rural–urban dynamics in their respective contexts (see Table 1.1 below for an overview of the frontiers).

Ghana has a long history of integration in the world market through gold, timber and cocoa, and the structural composition of exports has changed very little over the years, even though some industrial development has occurred in the major cities. Three cases were selected: (1) settlements in Ghana’s ‘last cocoa frontier’ in the Western Region; (2) settlements in the gold mining areas of Wassa West District, part of Ghana’s rich Ashanti gold ore area; and (3) settlements dominated by pineapple production for the world market located in the original cocoa frontier region north of Ghana’s capital, Accra.

Vietnam is experiencing remarkable economic development, with booming exports of both labour-intensive manufactured goods and agricultural

Table 1.1 Overview of the nine frontier cases in relation to the frontier typology

Frontier typology	Country			
	Ghana	Vietnam	Tanzania	Thailand
Agricultural frontiers	Cocoa Pineapple	Coffee Fresh fruit		
Handicraft and manufacturing frontiers		Embroidery and lacquerware		Mango wood-crafts and <i>Saa</i> paper 'Rural' based industrial estate
Mining frontiers	Gold		Gold and diamond	

commodities, including rice, the country's main food crop. The economy has been undergoing a comprehensive process of liberalisation since the mid 1980s, with the dismantling of state-owned enterprises and the steady reduction of central planning. Three cases were selected: (1) settlements dominated by coffee production in Vietnam's main coffee-producing province, namely Dak Lak Province in the Central Highlands; (2) settlements characterised by a transformation from food-crop production (predominantly rice) to fresh fruit production for export in the Mekong River Delta; and (3) settlements traditionally producing home-based handicrafts located in the Red River Delta close to the capital of Hanoi that are incorporated into a global market for handicrafts.

Tanzania is going through a comprehensive restructuring process of its commercial base as conditions for peasant agricultural production are seriously deteriorating. Smallholder households have increasingly diversified into mining and trade in order to secure the necessary cash income. One case was selected: settlements characterised by artisanal miners and small-scale miners (gold and diamond) to some extent related to large-scale foreign companies located in the northern regions of Tanzania.

Thailand has for many years enjoyed a prominent position in the global market as an exporter of labour-intensive manufactured goods, in addition to having an impressive portfolio of agricultural export commodities. However, the concentration of industrial production in the Bangkok metropolitan area has resulted in a trend towards the relocation of manufacturing production in the rural areas. Two cases were selected: (1) settlements located in Chiang Mai Province in northern Thailand producing home-based and semi-industrial handicrafts of mango wood and *Saa* paper for a global market; and (2) rural settlements located in proximity to an industrial estate in Ayuthaya Province in central Thailand, which is also attracting workers from other rural settlements.

## **Structure and organisation of the book**

The dynamic livelihood and settlement transformations in the nine frontier regions are presented and analysed in separate chapters grouped according to frontier type. Following each frontier type, a further chapter explores the similarities and differences between the findings from the frontiers drawing out generalisations where possible. These are then pulled together in the concluding chapter.

In Chapter 2, following this introduction, the key concepts that run throughout the book are presented, namely rural–urban dynamics, markets, livelihoods and mobility. The chapter also introduces the methodological approaches adopted in the collection and analysis of the data.

Chapter 3 by Michael Helt Knudsen, which is the first of the agricultural frontiers, is concerned with why some cocoa frontier settlements grow into small towns, while others stagnate and hardly change in size and function. The focus of Chapter 4, by Jytte Agergaard, is how settlement transformations relate to the changes in the coffee sector and how these transformations, and the dramatic collapse of coffee prices in the late 1990s and early 2000s, have impacted on livelihoods in the coffee settlements. In Chapter 5, Katherine V. Gough and Niels Fold explore changes in livelihoods and settlements located on the Ghanaian pineapple frontier. Here the pineapple sector is undergoing a rapid transformation due to changes in the global demand for pineapples in favour of a new variety, MD2. The last agricultural frontier chapter, Chapter 6 by Hoang Xuan Thanh and Cecilia Tacoli, portrays the multiple impacts of rapid urbanisation and industrialisation on rural settlements that, in recent years, have changed their main source of income from rice to fresh fruit. The authors are particularly concerned to show how the expansion of activities related to the fruit trade has opened up new opportunities for all groups while at the same time widening income inequalities.

Chapter 7 by Niels Fold and Cecilia Tacoli explores how markets, livelihood diversification and small-town development interact in the agricultural frontiers studied. The authors illustrate how the dynamics of agricultural value chains and the urban markets linked to them impact on livelihood opportunities and affect the resilience of rural settlements. Markets vary with the product and associated global value chains and have a differential impact on the economic dynamics of the settlements. Forward and backward linkages with the production of the major crops relate to processes of local economic diversification that cover both farm and non-farm activities. Changing livelihood opportunities in the settlements increasingly involve some form of mobility and in many cases result in growing social differentiation and inequality.

Chapter 8 by Katherine V. Gough and Dang Nguyen Anh is the first of the handicraft and manufacturing frontier chapters. Focusing on how handicraft production in the Red River Delta is increasingly becoming directed towards the global market and leading to rural urbanisation, the authors show how

the importance of handicrafts to livelihoods varies according to the nature of the craft and is leading to both increasing wealth and greater inequalities. In Chapter 9, Jonathan Rigg *et al.* are concerned with the impact of handicraft production on rural development in northern Thailand. They illustrate the changing nature of handicraft work in the study villages, the greater ease of mobility and the changing priorities of villagers. The change from farm to factory in Ayuthaya Province, Thailand is the focus of Chapter 10, also by Jonathan Rigg *et al.* The chapter is particularly concerned with the remaking of Thai rural economies and with how rural life is becoming dissociated from farming.

Chapter 11 by Katherine V. Gough and Jonathan Rigg reflects on the wider issues of handicraft and manufacturing production located in rural areas. They explore the degree to which the notions of ‘rural’ and ‘urban’, and the activities, lives and lifestyles that characterise these spaces, are being unsettled by the transformations under way in the study sites. This leads the authors to question whether farm–nonfarm relations generate a virtuous cycle and indicate the importance of how development interventions are structured and targeted.

In Chapter 12, Deborah Fahy Bryceson and Rosemarie Mwaipopo trace mining-led urbanisation in a long-established diamond-mining settlement and a younger gold-mining settlement in northwestern Tanzania. They show how, even though mining may be declining as a livelihood possibility, it is a highly dynamic vehicle of *in situ* urbanisation. The effects of the revival of the gold-mining industry in Wassa West District in Ghana are the focus of Chapter 13 by Paul W.K. Yankson. He shows how despite mining being a dynamic economic sector, it generates little employment for local inhabitants whose livelihoods are characterised by unemployment and poverty, partly due to loss of land.

In Chapter 14, Deborah Fahy Bryceson and Paul W.K. Yankson reflect on livelihood potentials and dilemmas in frontier mining settlements. They review the position of mining in the national economies of Ghana and Tanzania, outlining some of the salient differences between small-scale and large-scale gold-mining, and contrasting small-scale gold-mining to diamond-mining. Weighing the differences and conflicting tendencies of mining development in frontier regions, the authors suggest that small-scale mining can nonetheless ultimately lead towards sustainable urban settlement.

The book is rounded off with a concluding chapter that seeks to pull together the findings from the different frontiers in order to answer the overall questions that guided the research.

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## **2 Conceptualising and performing comparison of rural–urban dynamics**

*Katherine V. Gough, Jytte Agergaard,  
Niels Fold and Lasse Møller-Jensen*

The demographic, social and economic transformations occurring in most parts of Africa and Asia are based on a complementary relationship between rural and urban areas. Rather than clear-cut linkages and transitions, there is a blurring of the rural–urban divide (Tacoli, 2008). In this chapter we explore the ways in which rural–urban linkages have been studied, arguing for a more fluid approach that focuses on the dynamics between rural and urban areas. We then provide a background to the key concepts that we consider are central to an analysis of rural–urban dynamics, and which run throughout the book, namely markets, livelihoods and mobility. Subsequently we introduce the reader to the methodological approaches adopted in the collection and analysis of the data in this multi-sited comparative project.

### **Conceptualising rural–urban dynamics**

Although development theory and practice have traditionally been based on a dichotomy between rural and urban areas, populations and activities, in recent years increasing attention has been paid to the extensive linkages between them. Cecilia Tacoli (1998) was one of the first scholars to provide an analytical framework for analysing rural–urban linkages. Her framework consisted of two types of linkages: linkages across space (including flows of commodities, people, and information) and linkages between sectors (such as between agriculture, services and manufacturing). These linkages were seen as being central to achieving balanced economic growth and reducing vulnerability due to the critical role they play in the livelihood strategies of the poor.

In relation to economic growth, urban and rural economies often enjoy a symbiotic relationship. Cities benefit when agricultural productivity increases as rural areas provide important markets for urban services and manufactured goods. A boom in commercial agriculture boosts demand for marketing, transportation, construction and finance, which urban centres often provide. Rural areas can also benefit from the growth of cities as they provide markets for agricultural and dairy products, and for rural non-farm output. Rural industries often supply parts and components to nearby urban

manufacturers. Urbanisation can also help raise productivity through technology transfers, educational services and training (Tacoli, 1998).

Increasing competition over scarce resources in rural areas has resulted in many individuals and households migrating to urban areas in search of better economic opportunities. However, individual and household mobility depend on economic, intellectual and familial resources, and social differences such as gender, generation and ethnicity further impact migration decision making and selectivity. Flows of people, though, are not always from rural to urban areas. Many urban dwellers maintain strong links with their rural roots, returning to their home villages for short visits and even investing in housing. Return migration to rural areas also occurs in periods of stagnation and depression in urban manufacturing and service activities. Many of the elderly have traditionally returned to their home villages in their old age though there may be an increasing trend for them to stay in urban areas. Consequently, households cannot always be defined as either urban or rural. In order to minimise risk, and in an attempt to maximise income, many households are multi-spatial with some members working in urban areas while others remain in rural areas (Tacoli, 2002). These multi-spatial households are not just found at the local scale but include households with members who have migrated internationally.

Migrants often send remittances to relatives and communities in sending areas which constitute an important aspect of financial flows between rural and urban areas along with transfers such as pensions to migrants returning to their home settlements, investments and credit from urban-based institutions. Information also flows freely between urban and rural areas as a wide range of types of information is sought by both rural and urban dwellers such as access to land and housing, education and employment opportunities, and the prices of raw materials and commodities. The improved availability of old and new information and communication technologies provides better opportunities for creating and sustaining linkages between places.

These spatial flows of commodities, products, people, money and ideas overlap with inter-linkages between sectors both at the household level and at the wider level of local economies. They include backward and forward linkages between agriculture, manufacturing and services, such as production inputs and the processing of agricultural raw materials. Urban centres, especially small and intermediate ones, rely on broad-based demand for basic goods and services to develop their secondary and tertiary sectors. Overall, synergy between agricultural production and urban-based enterprises has been argued to be the key to the development of vibrant local economies and, on a wider level, to less unequal and more 'pro-poor' regional economic growth (Tacoli and Satterthwaite, 2003). In this virtuous cycle of rural–urban relations, rising agricultural incomes create a demand for more consumer goods and services, spurring the development of non-farm activities, absorbing surplus farm labour, further boosting demand for agricultural output, and thus feeding back into increased agricultural production and rising

incomes (Evans and Ngau, 1991; Evans, 1992; Grabowski, 1995). There is also reason, though, to think that some aspects of rural–urban relations undermine traditional production systems and may even marginalise more vulnerable groups in rural society as they are left out of the modernisation ‘loop’ (Hart, 1996).

The last decade has seen a renewed interest in the role of rural–urban linkages in economic development at the global, national and local levels (Lynch, 2005). At the global level, the liberalisation of trade and production plays a critical role in shaping rural–urban linkages. The increased availability of imported manufactured and processed goods affects consumption patterns in both rural and urban settlements, but since these are often cheaper than locally produced goods, local manufacturers and processors can be negatively affected. In the agricultural sector, trade in export crops is largely controlled by international companies who tend to by-pass local urban centres for processing and marketing, and who also retain much of the value-added and do not necessarily invest it in the producing region or even nation (Lerise *et al.*, 2000).

At the national level, macro-economic policies linked to reform and structural adjustment impact on rural–urban linkages. The sharp reduction in subsidies to agricultural inputs has affected the incomes of small-scale, under-capitalised farmers, while the retrenchment of workers in the formal sector has deepened financial insecurity in the urban centres. At the same time, the increase in the cost of food and the introduction of user fees for education and health services has forced many households to seek cash incomes through employment diversification – including non-farm occupations for rural residents, often located in urban centres – migration and urban agriculture.

At the local level, the nature and scope of rural–urban interactions is influenced by the nature of agricultural land, population density and distribution patterns, farming systems and the availability of roads and transport networks. Local governments can play an important role in supporting positive rural–urban linkages. The challenge is to identify the themes and processes at the local level that may have broader resonance and relevance, and those that are linked to the specificities of place and the particularities of households and individuals (Tacoli, 2006). The contribution of rural–urban linkages to livelihoods varies depending on households’ and individuals’ wealth and status and, therefore, their gender, age, ethnicity and in many cases their religious and/or political affiliation.

Not only are rural–urban linkages multi-faceted, but the rural and urban can be conceptualised and categorised in differing ways: in administrative terms, in terms of livelihoods and economy, and in social and cultural terms. The administrative approach is the space of planners and policy makers where, based on identified objective criteria, places become designated and classified as rural or urban. Often using a definition of the urban according to population size thresholds (sometimes combined with other criteria), areas



are delimited and mapped accordingly. The livelihood and economy approach links rural and urban spaces with certain types of production and, by association, with particular occupations and livelihoods (Rigg, 2007). The rural is dominated by primary production and agriculture and, thereby, with occupations and livelihoods associated with farming and primary production. The urban, on the other hand, is associated with manufacturing and industry and occupations and livelihoods are, likewise, shaped by this fact. Together, these two approaches appeal to many scholars and policy makers because they permit neat mapping and categorisation, at least from afar. The social and cultural approach does not treat the rural and urban as an administrative space or a space of production, but is an idea of rural and urban in terms of their social and cultural meanings. This is more nebulous and harder to pin down as it exists independently of administrative designation and economic activity and is constantly in flux as societies transform. It is growing in importance as the 'objective' reality of the rural and urban is being eroded. Thus Thompson (2004, 2007) proposes that rural villages have become *de facto* urban spaces in terms of production, consumption and social interaction.

Given the complex nature of the terms 'rural' and 'urban', and their intricate inter-linkages, we prefer in this book to talk about 'rural–urban dynamics'. Central to the conceptual approach is the belief that people and activities are multi-scalar and embody and inhabit different scales of thought and action simultaneously. Thus the rural and urban are both dynamic spaces and places where there are constant movements of commodities to and from markets and of people engaged in diverse livelihood strategies. Settlements can be difficult to define as being either urban or rural: rather they are better seen as forming a rural–urban continuum. Thus markets, livelihoods and mobility are all central to our conceptualisation of rural–urban dynamics and will be explored in more detail here.

### ***Markets***

With the global trend towards market-led strategies, market interactions are an increasingly crucial factor in the development of rural–urban dynamics. As many countries in the Global South are considered to have a comparative advantage in the extraction of natural resources, such as gold and diamond mining, and export-oriented agricultural production, it is essential that there are efficient economic linkages connecting producers with both domestic and external markets. Having access to markets is thus central to ensuring sustainable livelihoods. As markets have become increasingly global in orientation, one of the key ways in which they have been analysed is through global value chain (GVC) analysis, the broad aim of which is to trace commodities and the value added from source to the final consumer.

The GVC approach emerged in the mid 1990s, building on concepts from world-systems theory and focusing on North–South inequalities. Three core

components of the approach were identified: an input–output structure, a territoriality (or ‘geography’) and a governance structure (Gereffi, 1994). The first component mapped GVCs in terms of material flows and technical transformation processes while the second identified major locations for production and consumption. The third encapsulated the dual processes of increased division and intensified coordination of production on a global scale. The merit of the initial approach was the identification of two archetypal types of chain governance, namely ‘buyer-driven’ and ‘producer-driven’ GVCs, each characterised by specific sets of lead firms, entry barriers and organisational structure. Producer-driven chains are primarily coordinated by transnational companies in industries characterised by high capital intensity in the manufacturing process, as well as by high technological and organisational barriers to entry. Upstream and downstream activities are organised and controlled by these dominant lead firms, who themselves command substantial productive capacity. Buyer-driven chains are primarily coordinated by large retailers, brand-name merchandisers or trading companies in industries that are characterised by high labour intensity and high barriers to entry concerning product design, financing and marketing. Downstream activities are controlled through complex, tiered networks of (overseas) contractors and the lead firms do not engage in processing activities.

This simple dichotomisation of corporate industrial organisation has been heavily critiqued (Henderson *et al.*, 2002; Whitley, 1996) and more recently, five forms of governance have been suggested based on the characteristics of the transactions between suppliers and lead firms, and the capacity of the supplier (Gereffi *et al.*, 2005). These governance forms determine the conditions for upgrading suppliers involved in GVCs. Upgrading denotes the processes whereby suppliers enter into new and higher-value added manufacturing processes that require greater levels of technical or organisational competency. In chains characterised by some governance forms, lead firms may actively try to upgrade their supplier base by assisting local firms to climb different sorts of learning curves. A somewhat parallel line of enquiry is preoccupied with global production networks (GPNs) and their impact on different spatial configurations (Coe *et al.*, 2004). Instead of upgrading, the key concepts here are value creation, value enhancement and value capture within a spatial, in particular regional, context. The aim is to examine the conditions for starting regional production activities, the degree to which value is added to production activities over time, and the scope to which added value is retained and siphoned out to other regional activities, whether they are somehow linked or used to initiate completely new and previously unseen activities. GPN proponents have also stressed the need to incorporate multilateral organisations, state authorities, trade associations, trade unions and NGOs into the analytical framework. These actors can influence organisational structures and dynamics in the GVCs (or production networks) as much as ‘internal’ company actors directly involved in the flow of goods, money and information.

Even though the analytical framework of GVC analysis has been considerably improved by adding spatial and institutional dimensions, various dilemmas remain. First is the issue of how to translate successful upgrading processes at the firm level upwards to wider regional or national economy levels. The concept of value capture has not yet been operationalised beyond the analysis of regional spin-off effects and it is not clear whether upgrading is positive or negative (Bair, 2005). Second, both the GVC approach and the spatial impacts of GPN situate their attention on upgrading at the company level. The outcome for workers is not an explicit concern but is implicitly deduced from the results of upgrading processes, i.e. if local companies upgrade, workers will benefit in terms of skill upgrading and (presumably) higher wages. However, this is not an evident outcome as there are no mechanisms to ensure that the upgrading of firms works its way downwards to the factory floor. Third, when it comes to the question of how chain dynamics and upgrading processes directly affect small-scale producers, the GVC literature is conspicuously silent.

It is this latter concern that has been of particular interest in our studies of rural–urban dynamics in frontier regions. In particular, how are changes in demand at the global level worked down through the GVC to affect producers such as small-scale farmers or artisans in the frontier settlements? How are these producers linked into the GVC and how does their ability, or inability, to meet certain quality criteria (standards) affect their position as a supplier for the global market? In order to answer these sorts of questions, it is necessary to link GVC analysis, with its top-down approach, with livelihood analysis which adopts a bottom-up approach. It is to the livelihoods approach that we now turn.

### ***Livelihoods***

Livelihoods have been a focus of both research and policy since the 1990s. The initial livelihoods approach is generally traced back to Robert Chambers and Gordon Conway who published an IDS discussion paper in 1992 on ‘Sustainable rural livelihoods: Practical concepts for the 21st century’. They saw livelihoods as comprising people, their capabilities and their means of making a living including food, income, tangible assets (such as resources and stores) and intangible assets (such as claims and access). Their approach was, of course, not developed in a vacuum. It built upon a trend for a more actor-oriented approach to development which was adopted in development studies as a reaction to the structural perspective of dependency theories and neo-Marxist approaches (De Haan and Zoomers, 2005). The actor-oriented approach, especially encapsulated in the work of Norman Long (1984), focused on the micro-world of family, networks and communities and drew attention to related issues such as poverty, vulnerability and marginalisation. During the 1980s, a range of household studies were undertaken both under the framework of ‘new household economics’ and more socially inspired

‘survival strategies’. The latter showed how household decisions are often made within ‘the confines of limiting structural constraints, although families nevertheless operate with a degree of relative autonomy’ (Humphries, 1982, cited in de Haan and Zoomers, 2005: 29). Many of these household studies showed how poor households were being increasingly marginalised from the benefits of economic growth.

One of the reasons Chambers and Conway put forward for developing the livelihood approach was to counter the pessimistic approach of many household studies which they also felt tended to undervalue future livelihoods. The livelihood approach was soon adopted by major international and aid agencies including UNDP, Oxfam and CARE (De Haan and Zoomers, 2005). The concept was further developed in the late 1990s primarily by British academics such as Scoones (1998) on a sustainable rural livelihoods approach, Carney (1998) on natural resources in livelihoods, Ellis (1998) on the diversification of livelihood activities and Bebbington (1999) on capitals and capabilities. One of the most widely quoted definitions of livelihoods is still from Carney:

A livelihood system comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.

(1998: 2)

Another major impetus to the livelihoods approach followed its adaptation by the Department for International Development (DFID) in the UK’s development policy and the subsequent research projects and policy debates which emerged from this, including a new focus on urban livelihoods (see Rakodi with Lloyd-Jones, 2002).

Recently, de Haan and Zoomers (2005), in a paper ironically called ‘Exploring the frontier of livelihoods research’, have called for the livelihood approach to become more powerful analytically by improving its theoretical depth through incorporating the issues of sovereignty and power. They claim that, ‘Although transforming structures, mediating processes, institutions and organisations appear in all livelihood frameworks, there is a tendency within livelihood studies to downplay these structural features and to focus on capitals and activities’ (de Haan and Zoomers, 2005: 33). As they argue, livelihood activities are not neutral but encompass processes of inclusion and exclusion. Access thus depends on social relations which are not necessarily harmonious. The livelihood approach, they argue, needs to incorporate power relations in order to improve its conceptualisation of access. In order to do this, they suggest using the methodological tool of livelihood trajectories which makes use of life histories but tries to penetrate into a deeper layer

of beliefs, needs, aspirations and limitations that is contextualised in relation to power and institutions (de Haan and Zoomers, 2005).

In our analysis of rural–urban dynamics, we have elected to explore the underlying processes through linking the livelihood approach with GVC analysis. In this way, a bottom-up (livelihood) analysis can be combined with a top-down (GVC) analysis thus furthering our understanding of the dynamics of livelihood transformations. This moves livelihood analysis away from a methodological focus exclusively oriented around individuals and households.

### ***Mobility***

Mobility is a ubiquitous term having both a spatial and temporal dimension (van Dijk *et al.*, 2001) and can also refer to movement in society. A wide range of forms of mobility have been documented including rural–rural, urban–rural, rural–urban, nomadism and refugeeism operating at scales stemming from the global to the local. Mobility is so widespread that it has been argued that mobility should not be seen as a rupture in society but as a normal way of life, with immobility being the anomaly (de Bruijn *et al.*, 2001).

Recently it has been claimed that ‘a “mobility turn” is spreading into and transforming the social sciences, not only placing new issues on the table but also transcending disciplinary boundaries and putting into question the fundamental “territorial” and “sedentary” precepts of twentieth-century social science. It seems that a new paradigm is being formed within the social sciences, the “new mobilities” paradigm’ (Hannam *et al.*, 2006: 1–2). Aspects that these authors highlight include: the relation between human mobilities/immobilities and unequal power relations; the relation between mobility systems and economic regulation and governance; and the complexity of mobility and the dynamics of physical, informational, virtual and imaginative forms of mobility. They claim that the mobilities paradigm illustrates how all places are tied into at least thin networks of connections that stretch beyond each place resulting in nowhere being an island. While moving between places can be a source of status and power, not everyone has an equal relationship with mobility (Sheller and Urry, 2006). As Adey (2006: 83) claims, mobility ‘means different things, to different people, in differing social circumstances’. The mobility paradigm is thus part of a broader theoretical project that aims to go beyond the imagery of terrains as spatially fixed geographical containers for social processes, and calls into question scalar logics such as local/global as descriptors of regional extent.

There has been a particular focus within the mobility turn on advances in new technology and new ways of living and interacting, such as the airport encounter, the internet, virtual travel, and ipods. As Jonathan Rigg (2007) has claimed, this has inevitably meant that the Global North has been taken as the primary site of interest and research and the space where new

mobilities are emerging. As he asks, ‘Is this yet another case where the Global South has to patiently wait before the ripples of change wash on its shores?’ (Rigg, 2007: 118). In an attempt to pre-empt this he sketches out an alternative new mobilities paradigm focusing on the Global South which highlights the linkages between mobility and livelihoods. It is also important not to overlook other geographical research which continues to illuminate the demographic, cultural and economic dynamics of migration (Blunt, 2007). Recent research has highlighted how circular and temporary migrations are key elements of household livelihoods in both rural and urban settlements in the Global South (Tacoli, 2008). This mobility is linked to the diversification of income sources and together with the movement of commodities is an important aspect of the links between rural and urban areas. Mobility is thus central to both livelihoods and markets and is key to understanding rural–urban dynamics.

### **Performing comparison of rural–urban dynamics**

Markets, livelihoods and mobility have all been shown to be central to an understanding of rural–urban dynamics. In order to explore the ways in which they interact in frontier settlements a multi-stage comparative methodological approach was adopted.

#### ***Comparative approach***

Comparative empirical work has always been present in the social sciences but has wavered in relation to its popularity. Recently, both Nijman (2007) and Ward (2008) have called for a comparative (re)turn in urban studies. With the comparative approach to rural–urban dynamics adopted in this book, we partially contribute to this turn. In conducting comparative research it is vital to be aware of what is being compared: ‘Because similarities or differences are not given in the things themselves but in the ways they are contextualised’ we must ‘compare meanings, ways of constructing relationships between objects, persons, situations, events’ (Melhuus, 2002: 82).

Comparisons are relevant in a number of differing ways within the research presented here. One of the most obvious, and the one around which this book is structured, is to compare frontier types: i.e. within agricultural, handcraft/manufacturing, and mining frontiers. Comparison was uppermost in the selection process of the frontiers within the respective countries: hence each of the frontier types are represented in more than one country. Thus, in Ghana and Tanzania a mining frontier was studied, and in Vietnam and Thailand a handcraft frontier was studied, thus facilitating comparisons within Africa and Asia. In both Ghana and Vietnam agricultural frontiers were studied, facilitating comparisons between Africa and Asia. Another potential comparison is to look across frontier experiences within particular countries to analyse how national conditions impact rural–urban dynamics.

By comparing the similarities and differences between the transformations in markets, livelihoods and mobility in the frontier settlements, we are searching for possible generalisations as well as highlighting diversity.

A common methodology was adopted in order to facilitate comparison across all of the frontiers studied. This methodology was developed through workshops held on a yearly basis for all programme partners. These constituted a crucial element in the programme as they acted as a locus for the integration of the programme partners, the cross-fertilisation of methods and ideas, and the exchange of results. The first workshop, held in Copenhagen, focused on drawing up the common methodology in detail. At the second workshop, where the group congregated in Hanoi, the preliminary findings of the first stages of the fieldwork were presented and the setting up of a common database was discussed. The final workshop, held in Ghana, was more of a writing workshop where the researchers of the different frontier types had the chance to discuss their findings in relation to each other and the outline for this book was drawn up. Holding the second and third workshops in the two main programme countries facilitated contact with local academics and visits were made to two of the frontiers.

### ***Common methodology***

In order to explore the nature of rural–urban dynamics in the frontier settlements, and the processes underlying the transformations, a methodology was constructed which combined analysis of livelihoods, mobility and markets. A range of research methods were employed including analysis of secondary data and the collection of both qualitative and quantitative data. As outlined above, to facilitate comparisons between the frontiers, as far as possible a common methodology was followed. The fieldwork was conducted in three stages (Table 2.1).

The first stage, conducted in 2004/2005, consisted of initial settlement selection within the frontier regions. The number of settlements studied within

*Table 2.1* Summary of fieldwork stages

<i>Timing of fieldwork</i>	<i>Fieldwork methods</i>			
Stage 1	Selection of study settlements	Semi-structured interviews with local leaders	Focus group discussions in settlements	Interviews with key informants in commodity chains
Stage 2	Questionnaire survey with randomly selected households in all settlements			
Stage 3	In-depth interviews in each settlement	Focus group discussions with actors engaged in production of the key commodity		Interviews with key informants in commodity chain

each frontier differed (Table 2.2) depending on variations in the commodities being studied and the settlement types in the frontier. Semi-structured interviews were held with key people in the settlements, including local civic, education, health and religious leaders, in order to draw up a picture of the changing settlement characteristics. Secondary data were also collected to add to our knowledge of settlement transformation. Focus group discussions were held in the settlements with a number of different groups including chiefs and elders/local leaders, women’s groups and youth groups. Topics covered included the history of the settlement, changing livelihoods, mobility, and the production of the key commodity in the frontier. Most of these interviews were conducted by the authors working together with research assistants, and were taped and subsequently transcribed. Interviews were made with key players in the global value chain of the commodity (primarily traders and exporters) and initial interviews were held with relevant business associations, government institutions and academics. This first stage of fieldwork enabled us to obtain an overview of the characteristics of the settlements, the changing livelihoods of the inhabitants and relations between the key actors in the value chain.

A questionnaire survey formed the second stage of the fieldwork which took place during 2005/2006. The aim was to discover more detail at the household level regarding changing livelihoods, mobility and engagement in the key commodity. Households in each settlement were selected to answer the questionnaire survey which was conducted by local assistants accompanied at times by the authors. The number of households interviewed differed in each frontier according to the size of the settlements and variations in the populations. An attempt was made to select the households as randomly as possible; in some frontiers, such as in Vietnam where household census data exist, it was possible to make a random selection whereas in others, such as in Ghana where no such census was available, houses were selected at random. The questionnaire had a core that was common to all of the frontier settlements where the same questions were asked but, due to

*Table 2.2* Data collection in the frontier settlements

<i>Frontier</i>	<i>Number of settlements studied</i>	<i>Number of questionnaires conducted</i>
Cocoa (Ghana)	4	360
Coffee (Vietnam)	4	566
Pineapple (Ghana)	2	150
Fruit (Vietnam)	3	300
Handicraft (Vietnam)	2	200
Handicraft (Thailand)	2	228
Manufacturing (Thailand)	2	137
Mining (Ghana)	4	484
Mining (Tanzania)	3	216



cultural differences, the coding of the answers inevitably varied. This was followed by a section which was particular to the frontier being studied where questions in relation to the livelihood activity in focus were asked. In relation to global value chains, emphasis was put on the identification of barriers to entry and processes of differentiation, particularly the possibilities for local companies to upgrade their functional roles within the chains and the impacts on small-scale producers.

In the third and final stage of fieldwork, in 2006/2007, a return visit was made to a number of households in each settlement to conduct in-depth interviews. The households were selected from the questionnaire survey to cover a range of household types varying by age, gender, ethnicity, length of residence in the settlement, degree of engagement in the key commodity, etc. The in-depth interviews traced the respondents' life histories, focusing on their changing livelihoods, mobility patterns and settlement experiences. Again, the number of in-depth interviews conducted varied by frontier according to the complexity of the settlement and the key commodity in question. As part of the commodity chain analysis, return visits were made to relevant actors to find out the latest developments in the sectors in question.

### ***Data analysis and dissemination***

The questionnaire data from each frontier survey were digitally coded using a two-level database model. On the first level, household data such as sources of income, land and livestock ownership, etc. were recorded into a dataset (household-level). On the second level, data related to individual household members were recorded into a separate dataset (person-level). This level included, among other things, data on individual mobility. The selected strategy maintained data integrity and reduced data repetition while providing flexibility for various types of data analysis. The majority of the questionnaire and coding scheme was identical for all frontiers to provide the basis for cross-cutting analysis. It was necessary, however, to produce modifications to the scope of possible values for some of the variables in the dataset, due to the cultural and economic differences between the countries. The manifestation of these differences necessitated country-specific additions to the list of answer categories that could be understood only in the local context and proved difficult to resolve into a global set of meaningful categories. For this reason, data analysis was performed separately on each frontier rather than creating a large common database. Data analysis based on value listings, frequency counts and bi-variate cross-tabulations was mainly carried out in SPSS. The results obtained from the basic analysis of the survey data of each frontier were subsequently combined with the qualitative data and analysed within the framework of the themes that this book sets out to investigate.

An important aspect of dissemination of the programme findings was the holding of policy seminars in each of the respective countries. These were attended by central and local politicians, aid agencies, key actors in the

commodity chain, and settlement leaders. Feeding back into policy making was a key aim of the programme and the animated discussions at the workshops indicated the importance of this aspect of the methodology. The feedback from policy makers in turn influenced our thinking regarding the transformations of the various frontiers and has contributed to the shaping of the arguments put forward in this book.

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# 3 Small town development in the Ghanaian cocoa frontier

*Michael Helt Knudsen*

## **Introduction**

This chapter deals with urbanisation processes in a predominantly rural area of Ghana, far from the major urban centres. For more than a century, cocoa production has been one of the most important factors determining migration patterns and settlement development in rural Ghana. As cocoa production expanded through the forest areas of southern Ghana, migrant farmers and labourers followed cocoa to its new sites. In the new cocoa frontiers, old settlements expanded and new settlements were established to house the migrants. The same process has also occurred in Ghana's current cocoa frontier in the Western Region. The Western Region emerged as the new Ghanaian cocoa frontier in the 1960s and 1970s, and since the 1990s it has accounted for around half of Ghana's total cocoa output (Fold, 2004; Gockowski, 2007). Over time, some of the frontier settlements have reached a population size qualifying them to be regarded as urban areas or small towns. Other settlements, however, have stagnated, hardly changing in size or function.

The aim of this chapter is to explore the nature of settlement growth in the current cocoa frontier. In particular, the question of why some settlements grow while others stagnate is explored. It shows that settlement growth can be difficult to predict, but also that the location and nature of the population (indigenous vs. migrants), which directly affect livelihood opportunities, are both central factors. To set the scene, the next section briefly introduces the role of cocoa production in Ghana. Subsequently, two small towns and two rural settlements in the Ghanaian cocoa frontier are presented. Against this background, the following section discusses the processes behind settlement growth in the frontier by examining the diverse development trajectories of the two small towns and their differing functions for nearby rural settlements. The final section provides some concluding remarks.

## **A brief introduction to cocoa in Ghana**

The history of cocoa in Ghana is the story of how, for more than a century, a single crop has had implications for almost every facet of the economic,

social and political life of the country (Mikell, 1989/1992). The commercial growing of cocoa was initiated in 1879 on what was then the Gold Coast (becoming Ghana after independence) (Amoah, 1995). The crop achieved immediate success among farmers, and by as early as 1910–1911 the Gold Coast had become the leading cocoa producer in the world (Leitner and Harding, 2004). The territory's importance as a producer peaked in the early 1930s, when it accounted for about 40 per cent of global production (Fold, 2002). Ghana retained its position as the world's largest producer of cocoa until 1976–1977 (Amoah, 1995). However, an unstable political environment and low producer prices in the late 1970s and the early 1980s resulted in production declining to around 10 per cent of world production in the early 1980s (Buliř, 2003). Since 1983, a series of structural adjustment programmes have been implemented, one of the consequences of which has been a substantial increase in cocoa producer prices and the recovery of cocoa production.

Today Ghana is the second largest producer of cocoa on a global scale, only surpassed by neighbouring Ivory Coast (Vigneri and Santos, 2007). Cocoa production is at present still an important contributor to the country's GDP as one of the top export commodities in revenue terms (US Department of State, 2008). The cocoa sector is important for rural employment, both as a smallholder activity for around 800,000 cocoa farmers, and for temporary (seasonal) employment by a high number of seasonal wage labourers (Quartey, 2007). The sector also contributes to employment in urban areas, which function as administrative centres, as well as centres for the storage, grading and transport of cocoa.

The reform of the cocoa sector resulted in a partial dismantling of the state-owned marketing board Ghana Cocoa Board (COCOBOD) and the removal of subsidies on farm inputs with effect from 1992 (Hutchful, 2002). This means that the purchasing of cocoa beans up-country and the transport of beans to the ports have been liberalised. These liberalised activities are handled by local and international Licensed Buying Companies (LBCs),<sup>1</sup> including the former monopsony Produce Buying Company (PBC) of COCOBOD.<sup>2</sup> One result of the multiple-buyer system has been that there is now a far greater number of cocoa-buying sheds spread over the cocoa-producing areas, often reaching far into the rural areas. This has provided farmers with easier access to sell their produce, as well as making it possible for them to change buyers if they feel cheated.

Since the reforms, COCOBOD has retained its monopoly of quality control and export marketing through the Quality Control Division (QCD) and the Cocoa Marketing Company (CMC) respectively. This means that all cocoa purchased by the LBCs must be resold at a fixed price to CMC, which acts as the sole seller of Ghana's cocoa on the world market. Even though a stated intention of the liberalisation of the cocoa sector was to liberalise the export of cocoa, none of the LBCs have so far obtained a licence to export ([www.cocobod.gh](http://www.cocobod.gh)). Furthermore, COCOBOD supports farmers by carrying

out mass spraying of cocoa farms and providing credit opportunities for the purchase of fertiliser. These initiatives are mainly conducted through the agricultural extension service of the Ministry of Food and Agriculture (MoFA) and the LBCs.

Another important heritage from the pre-SAP period is that COCOBOD continues to fix the floor price for all domestic purchases of cocoa. This is done by announcing a pan-seasonal and pan-territorial price at the beginning of the major crop period (October–March) which usually lasts for the whole cocoa year, i.e. also covering the harvest during the minor crop period (May–July), although revised prices are occasionally announced in the early phase of the latter. This means that the COCOBOD pays a uniform producer price per kilo to all cocoa farmers throughout the season, irrespective of their location. The price is determined on the basis of the estimated revenue for the particular cocoa year, made possible due to the considerable volume of forward selling by the CMC, itself made possible by the consistently good quality of cocoa beans produced in Ghana. The forward sales are used as collateral on the international financial markets, and a substantial loan is provided each year by a consortium of international banks (Fold, 2004). Due to the continued high quality of Ghanaian beans, they are sold at a premium price on the world market.

For the past century, the production of cocoa has resulted in the establishment of frontiers and thus sparked migration and settlement development in Ghana. The expansion of cocoa production has followed a characteristic geographical pattern whereby virgin forest land has been cleared and cultivated as a consequence of existing cocoa-producing regions gradually collapsing due to ageing cocoa farms, low soil fertility, pests and/or shifting land use. In general, cocoa production has moved westwards from its cradle on the Akwapim Ridge, from where it spread to the Ashanti Region and later, around the 1940s, to the forest areas of Brong Ahafo and Central regions, which emerged as new cocoa frontiers. Around the 1960s, the frontier expanded into the Western Region. At present the Western Region is the main producer of cocoa in the country and is considered the last Ghanaian cocoa frontier, as no more virgin forest is available in the country.

### **Small towns and rural settlements in the Ghanaian cocoa frontier**

In Ghana, an urban area is defined as a settlement with a population of 5000 or more, though there is no stated requirement for degree of closeness (GSS, 2002). No official definition, however, exists for small towns. Owusu (2005) suggests placing Ghana's present-day settlement hierarchy within a four-tier system. At the top of the system he places the large towns and cities of Accra, Tema Municipality, Kumasi and Sekondi-Takoradi, all with populations of 250,000 or more. Next are the medium-sized urban centres, with populations between 50,000 and 250,000, while small towns have populations

between 5000 and 50,000. This definition will be adopted for the discussion on small-town development and functions in this chapter.

In the last inter-censal period, i.e. from 1984 to 2000, the Ghanaian population grew from 12.2 million to 18.9 million, which corresponds to an annual growth rate of 2.7 per cent (GSS, 2005). Alongside the population growth, there has been an increasing concentration of the population in urban areas, from 32.2 per cent in 1984 to 43.8 per cent in 2000. The average annual growth rate between 1984 and 2000 of the 364 localities in Ghana defined as urban is 4.6 per cent, which is significantly above the overall national growth rate (GSS, 2002; GSS, 2005). Apart from the population growth taking place near the two largest cities of Ghana (Accra and Kumasi),<sup>3</sup> areas of high population growth are also found in some rural areas that are remote in relation to the large urban centres. An important part of the explanation is the existence of agricultural frontier regions, i.e. regions experiencing a high degree of immigration by people wishing to undertake specific farming activities.

This chapter builds on research in four settlements<sup>4</sup> in Juaboso District, Western Region (see Figure 3.1), which is located at the heart of the Ghanaian cocoa frontier and has been one of the highest cocoa-producing districts in the country for more than a decade. Ninety-two per cent of the population in the district lives in settlements of fewer than 5000<sup>5</sup> (Juaboso District Assembly, 2006). In 2006, the population of Juaboso District was 156,428, with an annual growth rate between the last two inter-censal periods (1984 and 2000) of 3.5 per cent, higher than both the regional and national averages of 3.2 per cent and 2.7 per cent respectively. Forty-eight per cent of the population is reported to be migrants, almost entirely from other regions of Ghana (Juaboso District Assembly, 2006). Immigration into the Juaboso area for agricultural purposes was significant as early as the 1940s. However, it was not until the 1960s and 1970s that the inflow of migrants gained momentum along with the start of the boom in the production of cocoa (Boni, 2005). The influx of migrants has continued into the new millennium. However, while the first five decades were dominated by migrants to the cocoa sector, the last decade has witnessed a large influx of migrants with the sole purpose of engaging in the non-farm sector<sup>6</sup> (Knudsen, 2007). This high influx of migrants, combined with natural growth, resulted in the expansion of old settlements, as well as the establishment of new ones. Some of these settlements have grown into what can be defined as urban areas. The district today is characterised by settlements clearly being dominated by either indigenous or migrant households.<sup>7</sup>

Research was conducted in two small towns (Bodi and Bonsu Nkwanta) and two nearby rural settlements (Amoaya and Kefass) (see Figure 3.1). These settlements were selected to capture the diversity of settlements in the district in terms of size, location, age and population composition (indigenous versus migrants). All four settlements are located far from any major urban areas,<sup>8</sup> and are not declared district capitals. Bodi and Bonsu Nkwanta are two of the largest settlements in Juaboso District. Both have experienced remarkable

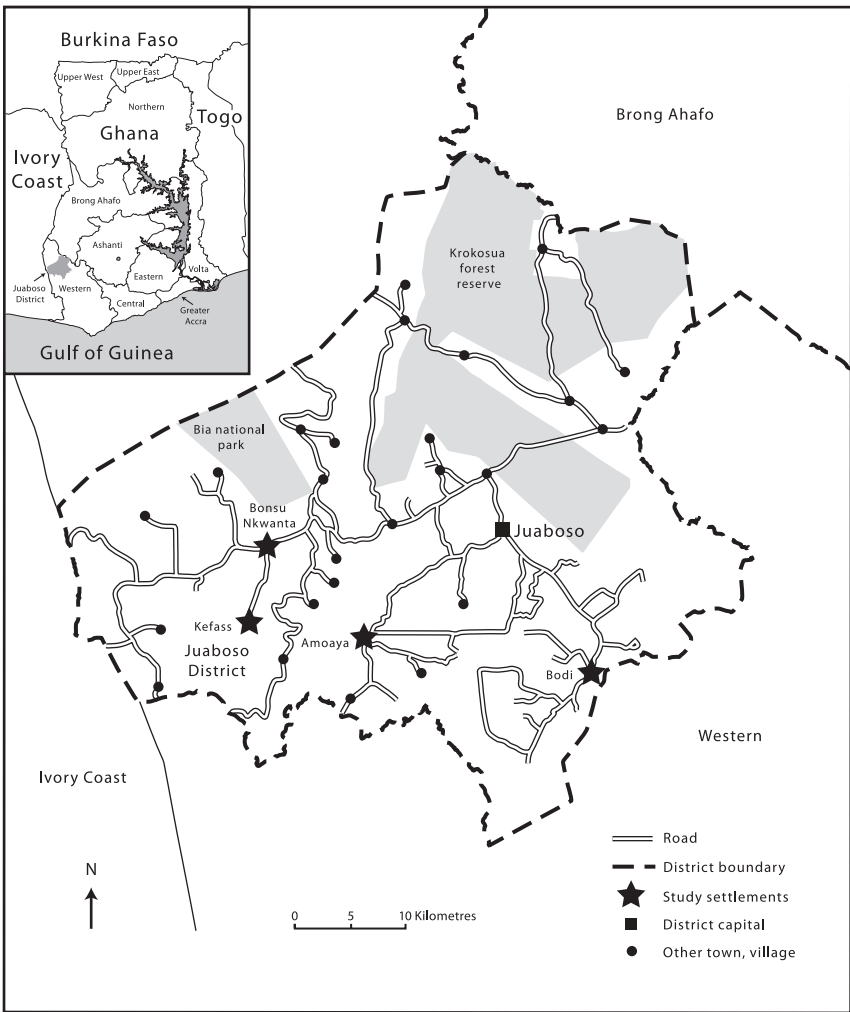


Figure 3.1 Map showing location of study settlements in Juaboso District.

population growth, settlement expansion, and economic and occupational reorientation in the last two decades. Furthermore, according to population estimates from 2006, both have passed the official urban population threshold of 5000 within the last five to ten years and should now officially be defined as urban areas, or in Owusu's (2005) definition, small towns (Table 3.1). The two rural settlements, Amoaya and Kefass, have grown continuously in recent decades, but they have not witnessed anything like the population and settlement growth experienced by the two small towns (Table 3.1).

The population figures for 2006 that are included in this study (Table 3.1)



Table 3.1 Population data on the four study settlements

		<i>Bodi</i>	<i>Amoaya</i>	<i>Bonsu Nkwanta</i>	<i>Kefass</i>
Established		1894	c.1850	1970	1969
Population size	1984	3379	1382	69	122
	2000	6929	3155	2308	1374
	2006 (estimated)	10,000	4000	8000–9000	2000–2500
Indigenous households (%)		97	73	10	6
Migrant households (%)		3	27	90	94
Sample size		130	60	115	55

*Source:* Author's household survey, 2005/2006 and the '2000 Population and Housing Census' (GSS, 2002).

have been estimated by the author, based on the 2000 Population and Housing Census (GSS, 2002), interviews with key informants and observations made in the four settlements. The population estimates include only households living permanently in the settlements. Such population estimates are, of course, problematic, as neither key informants' estimates nor my own observations can be precise. Furthermore, the migrant settlements especially are characterised by populations that are seasonally very mobile, which means that the size of the population residing there fluctuates significantly according to the cocoa season. This question relates to the problem of drawing the line between who can actually be defined as settlers. Here, 'settlers' refers to migrant households who have permanent residence in the settlement and who are living the majority of the year in it. Despite these problems in establishing exact population figures, there were clear indications of trends in population development in each settlement. As this is a study about the processes leading to small-town growth, these trends were the most crucial ones to identify.

### ***Bodi and Amoaya: old indigenous settlements***

Bodi is one of the oldest and currently also the largest settlement in Juaboso District,<sup>9</sup> being characterised by continued population growth (Table 3.1). Bodi is the capital of the Bodi stool land,<sup>10</sup> with the chief of Bodi controlling large stretches of land, which secures privileged access to land for the local indigenous households. According to the fieldwork survey indigenous households make up 97 per cent of the total population (Table 3.1). Hence, population growth stems primarily from natural growth and intra-stool land migration.<sup>11</sup> Restricted access to land explains, to a large extent, the small number of migrant households in the settlement. Contrary to many other indigenous stools, the Bodi stool has been reluctant to sell land to migrants,

Table 3.2 Livelihood characteristics of the four study settlements (all figures in per centages)

	<i>Bodi</i>	<i>Amoaya</i>	<i>Bonsu Nkwanta</i>	<i>Kefass</i>
Households with access to land	100	95	51	67
Average land size (hectares)	9	6	5	6
Households involved in cocoa farming	99	93	50	69
Households involved in cocoa farming as:				
Landowner	98	86	79	81
Tenant	2	12	18	13
Labourer	0	2	3	5
Primary source of income 2006				
Cocoa farming	98	88	46	62
Trading activities	1	0	23	9
Skilled work	1	3	17	9
Other activities:				
• Farm	0	5	3	7
• Non-farm	0	3	11	13
Sample size	130	60	115	55

Source: Author's household survey, 2005/2006.

and has kept the land within the local matrilineages instead. The majority of migrants entering Bodi today are seasonal labour migrants, few of whom decide to settle there.

Until the middle of the twentieth century, the settlement's economy was based on food production, mainly as a subsistence activity. Around the 1950s, cocoa and coffee became important cash crops and primary sources of income for most households in Bodi. When the production of coffee ended in the 1980s, cocoa had become by far the most important source of income for the vast majority of households in the settlement. Nearly all households in 2006 earned their primary source of income from farming cocoa on their own land (Table 3.2), income that on average constituted more than four-fifths of total household income.

Bodi has one of the largest weekly periodic markets in the district, attracting traders from the whole district. Increasingly local farmers have also become involved in trading activities as a secondary source of income and as a means of reducing the adverse effects of the seasonal cocoa economy. Nevertheless, business activities are relatively low outside the weekly market day. The market in Bodi does not function as a market for locally produced foodstuffs, but rather for non-local foodstuffs imported from outside the district. This is primarily due to the fact that the majority of land that falls under the Bodi stool has been cleared for cocoa cultivation, resulting in a minimum of food production and that largely for subsistence. In fact, the market is primarily based on trade in a variety of non-farm products. There is

some involvement in service activities, such as people running bars, hairdressers and communication centre operators, while production activities are limited to the processing of palm oil and some minor blacksmithing and carpentry businesses. A small health clinic was set up by the local Anglican Church in 1972, but today it is ill-equipped and only served by a local midwife subsidised by state funds. Bodi has been designated by the Ghana Cocoa Board (COCOBOD) as the location of storage and administrative facilities for the Licensed Buying Companies (LBCs) operating in the area.<sup>12</sup> This has resulted in some economic spin-off activities in the settlement. In addition, a few public schools, a police station and the provision of electricity were mentioned by key informants as the only public services in the settlement.<sup>13</sup> The settlement is located at the intersection of several of the larger rough roads running through the district, making the settlement relatively easy to access.

Amoaya is one of the nearby rural settlements that depends on the limited services, shops and market provided in Bodi. The settlement is located around 30 minutes<sup>14</sup> rough drive west of Bodi, access to it being restricted by a poor road network. Amoaya is an even older indigenous settlement than Bodi. The settlement's stool chief, also called 'Amoayahene', provides land to the indigenous population, and during the 1980s–1990s he also did this for a number of migrant farmers. The latter circumstance may explain why, according to the fieldwork survey, more than 25 per cent of the households in Amoaya consist of migrants (Table 3.1). Since the early 1990s, the stool has been short of land, which means that hardly any land is distributed. Today, the majority of households in Amoaya are involved in, and highly dependent on, cocoa farming (Illustration 3.1) (Table 3.2). Only a few households are engaged in non-farm activities as a primary source of income, though they are acquiring some importance as a secondary source of income. The small market in Amoaya has only limited infrastructural services, and trading activities provide few sources of alternative employment. The lack of access to land and limited opportunities within the non-farm sector have resulted in an increasing number of young people leaving the settlement to search for jobs in other places. As nearby Bodi only offers limited opportunities for employment, the young people most often choose to migrate to the district capital, Juaboso, or further afield, to larger urban areas outside the district. This out-migration is probably one of the main reasons for the low population growth in Amoaya as compared to Bodi (Table 3.1).

### ***Bonsu Nkwanta and Kefass: young migrant settlements***

Bonsu Nkwanta was established in 1970 by migrants who obtained land from the Boisan stool. For the last two decades, the settlement has developed from being an agglomeration of a few hamlets into what can be defined as a small town and the most thriving market town in the district. The first migrants in the settlement acquired large areas of farmland, and today they are among



*Illustration 3.1* Labourers opening cocoa pods in Amoaya.

Photo by Michael Helt Knudsen

the largest and wealthiest landowners in the district. The most significant factor in the development of Bonsu Nkwanta into a centre for trade was the establishment of a market in 1985 based on foodstuffs cultivated on infant cocoa farms to provide shade for the cocoa seedlings. When cocoa production increased, the market simultaneously expanded and encouraged settlers to engage in trade, including in non-farm products. A decade earlier, a timber company constructed a road to the area, providing relatively good access to the newly established market. As the settlement has since grown in size and importance more roads have been constructed, so that today it is located at the intersection of several larger rough roads running through the district.

The growing market started to attract migrants coming with the sole purpose of engaging in trading and service activities. For the last decade or so, these migrants have dominated migration to Bonsu Nkwanta. The high influx of migrants to engage in non-farm activities explains the fact that more than half of the households in the fieldwork survey earned their primary source of income from non-farm activities in 2006 (Table 3.2). The importance of non-farm activities is visible when business life during the cocoa season is at its highest. The settlement then becomes crowded with traders and small shops, serving the farmers when they are paid for their harvests. The non-farm sector is primarily driven by all sorts of trading activities, mainly trading

in non-farm products, that are often bought in the major urban areas of Kumasi, Accra and Sekondi-Takoradi. The high influx of traders and customers to take advantage of the more lively economy in Bonsu Nkwanta further spurs trading activities. Likewise, commercial service activities benefit, such as hairdressers, seamstresses, bar-owners, guest houses and prostitution. However, as soon as the cocoa season reaches its end, business life slowly winds down, migrant settlers and seasonal labourers leave for their home towns, and traders relocate to more lucrative areas.

The level of public services is similar to that in Bodi, although in 2003 Bonsu Nkwanta was provided with a health clinic sponsored by the Ghanaian state. Like Bodi, Bonsu Nkwanta is also a designated centre for LBC administration and the storage of cocoa for a large rural hinterland. Due to its many non-farm activities and level of services, Bonsu Nkwanta is generally perceived to be more 'urban' than Bodi by both visitors and the people living there. Indeed, while 58 per cent of the population in Bonsu Nkwanta stated that they lived in an urban area, only 3 per cent of residents in Bodi felt that they lived in an urban area.

Kefass was established around the same time as Bonsu Nkwanta, also driven by the influx of migrants, who were able to obtain land from the Boisan and Amoaya stools. In the mid 1970s the inhabitants established a market that quickly grew in size and became significant in the area. Together with the increasing production of cocoa, the market attracted more settlers, and the settlement started to grow. Until the end of the 1980s Kefass was reported to be larger than nearby Bonsu Nkwanta, but soon afterwards it started losing its market share to Bonsu Nkwanta, whose market started to grow. Today the market in Kefass is very small and only active one day a week, while most inhabitants do their shopping and trading in Bonsu Nkwanta. This leaves the settlement with a low level of non-farm activities throughout most of the year. However, during the peak of the cocoa harvest season, bars are lively and trading activities intensify. Since the high influx of migrants to Kefass in the late 1980s and early 1990s, the immigration rate has decreased dramatically, though it is still contributing to population growth in the settlement. The growth of Kefass has been significantly restricted by poor infrastructural development. Indeed, there is only one road leading to Kefass, which ends there. The population of Kefass is dependent on a range of services in Bonsu Nkwanta, like the health clinic, bank and police station, as these are not present in the settlement. Furthermore, there is no electricity, communication centre or mobile phone coverage in Kefass. In addition, young people often choose to leave the settlement, as they cannot obtain land for cocoa farming, refuse to work as farm labourers or cannot find work in the non-farm sector. Many of them decide to commute to Bonsu Nkwanta for work and/or leisure, or even to move there permanently.

## **Diverse trajectories of frontier settlement development**

The primary driver for settlement growth in Juaboso District since the 1960s has been the presence of vacant forest land and the booming production of cocoa. The indigenous settlements of Bodi and Amoaya were already well established before cocoa came along, but the introduction of the crop stimulated economic life in the settlements and attracted many households that previously lived on their individual farms around these settlements. On the other hand, the establishment and growth of the two migrant settlements of Bonsu Nkwanta and Kefass can be seen as a direct result of migrants settling to acquire new land and engage in cocoa farming. Later, the migrant settlements grew due to the high number of labour migrants wishing to take up employment on cocoa farms or, since the late 1990s, to engage in the growing non-farm sector. As most purchases from, and investments in, the non-farm sector are derived from the production of cocoa, the cocoa sector can be said to have continuously contributed to settlement development in the district. However, the descriptions of the four settlements above clearly indicate that settlements on the Ghanaian cocoa frontier have grown up rather differently. In the case of the two small towns, this has resulted in them having different functions for their rural hinterland. This section will focus on analysing the settlements in relation to a range of interrelated factors that affect settlement growth and small-town functions. These factors include location, access to land and mobility patterns among households.

Location is one of the central reasons why some settlements on the frontier grow more than others. The fact that both Bodi and Bonsu Nkwanta are relatively easy to access in terms of location, road infrastructure and transport has been a major factor in the growth of these settlements into small towns. Indeed, their location has resulted in Bodi and Bonsu Nkwanta becoming 'natural' centres and markets for trade and services. In contrast, the 'isolated' location and lack of sufficient road infrastructure in Amoaya and Kefass have resulted in limited transport activity to these settlements and only a few activities taking place outside agriculture. Furthermore, transport fares to these settlements are exorbitant by comparison with those to the two nearby small towns.

It is also due to Bodi and Bonsu Nkwanta's relatively favourable location that they have been designated by COCOBOD for the location of storage and administrative facilities for the Licensed Buying Companies (LBCs) operating in the area. The presence of the LBCs has improved employment possibilities and made the two small towns nodal points for the transport of cocoa beans, thus bringing both people and goods to and from the small towns. Furthermore, it has spurred the local economy, as LBC employees and visitors require lodgings, daily provisions of food and drinks as well as other goods. As the limited processing of the harvested cocoa pods (opening, fermenting and drying) is done on the farms or by individual households and not in a central process facility located in the small towns, other economic

spin-off activities directly related to the crop are relatively limited. In Amoaya and Kefass, the cocoa sector is represented only by purchasing clerks buying cocoa from small sheds. The economic spin-off activities related to this and benefiting the rural settlements are minimal.

Households' access to land also plays a central role in how settlements on the frontier develop and the function they acquire for their rural hinterland, as this directly affects livelihood opportunities. Two main developments can be identified on the Ghanaian cocoa frontier. First, the livelihoods of the indigenous households in Bodi and Amoaya are strongly dependent on income from cocoa and therefore on access to land, while involvement in non-farm activities almost exclusively takes place as a secondary source of income. The main reason for this livelihood pattern is that the indigenous population are the traditional rulers of land under the Bodi and Amoaya stool lands and have continually been provided with good access to land for cocoa farming. Even though land resources have been largely exhausted under the two stools, it seems that the upcoming generation of farmers are ensured land through inheritance. Hence, the low involvement in non-farm activities in Bodi and Amoaya can be explained by the fact that it is still possible to make a living from the land (cocoa). This livelihood pattern is supported by the organisation of the Ghanaian cocoa sector, i.e. the provision of nearby, reliable markets and fixed prices for cocoa produce. This has enabled farmers to carry on with the production of cocoa while adding a second source of income to their portfolio (Knudsen, 2007).

The relatively low involvement in non-farm activities in Bodi has had consequences for the functions of this small town for its nearby rural settlements, including Kefass. The weekly market day in Bodi is important for both the population of Bodi and the nearby rural settlements as a market for imported foodstuffs and all sorts of non-farm products. However, the presence of the periodic market has neither spurred non-farm activities outside the weekly market day, nor boosted employment possibilities or development considerably. Bodi has important functions in relation to the provision of health services, legal/police matters and education. Nevertheless, as Bodi only offers basic services within these fields, inhabitants in Bodi and in the surrounding rural area are forced to travel to the district capital, and often outside the district altogether if their needs are greater.

The difficulties for migrants in accessing land in Bodi, combined with the limited employment opportunities within the non-farm sector, as well as the low level of private and public services, have hampered immigration to Bodi both from outside the district and from nearby rural settlements like Amoaya. Indeed, apart from the weekly market day in Bodi, daily mobility to Bodi is low. Longer-term mobility and actual migration from Amoaya to Bodi are also low, as individuals and households leaving Amoaya most often choose to travel to the district capital or further afield to look for employment and business opportunities, as these are not present in Bodi.

Secondly, looking at the migrant settlement of Bonsu Nkwanta, there is a

high occurrence of livelihoods fully or partly based on non-farm activities. This can be seen as a consequence of two main factors. First, apart from those migrant households that arrived early where land was in abundance and was easy and cheap to acquire, access to land has been restricted for migrant households that arrived later. Therefore, these later households have been ‘pushed’ to establish livelihoods partly or fully based on non-farm activities. Secondly, the development of Bonsu Nkwanta into a regional trading centre has made it attractive for settlers there to engage in a variety of non-farm activities and employment (Illustration 3.2). Furthermore, this development has ‘pulled’ migrants to Bonsu Nkwanta with the sole purpose of engaging in non-farm activities. Both of these ‘push’ and ‘pull’ factors have intensified in the last two decades due to the exhaustion of land resources, the immense growth in population and the level of non-farm activities in the small town. Involvement in non-farm activities among households in Kefass is rather low compared to Bonsu Nkwanta, but higher than in the indigenous settlements. It is especially Kefass’s isolated location that has hampered the development of the local market and service activities there.

While the level of public services is more or less the same in Bodi and Bonsu Nkwanta, the presence of commercial services shows a more diverse picture. During the cocoa season, the provision of commercial services



*Illustration 3.2* The main street running through Bonsu Nkwanta where settlement growth has taken place since the late 1990s.

Photo by Niels Fold



increases drastically in both Bodi and Bonsu Nkwanta as the purchasing power among cocoa farmers is relatively high, and due to the large influx of seasonal migrants. Despite the two small towns having more or less the same number of settlers, Bonsu Nkwanta attracts a significantly higher number of seasonal migrants, customers, traders and commuters than Bodi and thus has a much greater demand and (seasonal) population basis for commercial services.

Households' mobility patterns are closely related to their involvement in the non-farm sector and thus significant for settlement development and small-town functions. The low involvement in, and presence of, non-farm activities in Bodi and Amoaya are both the result of, and result in, the low mobility of the indigenous population. Indeed, most mobility among indigenous households in Bodi takes place either within the district or to neighbouring districts and is mainly related to income-generating activities (daily travel to cocoa farms, walking or cycling) and social visits. Trips to larger urban areas are rare and most often related to health or legal matters. While households in Bodi have more mobility on a daily and weekly basis due to the town's location at the intersection of several larger roads and access to transport, households in Amoaya are more mobile in relation to longer-term mobility and actual migration.

The migrant households in Bonsu Nkwanta and Kefass, on the other hand, are more mobile. Looking at Bonsu Nkwanta, the flourishing non-farm sector and the high involvement in these activities of households are indeed a result of the high mobility of members of the migrant households. In contrast to the indigenous households in Bodi and Amoaya, the migrant households in Bonsu Nkwanta show a remarkably high degree of mobility on both a seasonal and monthly/weekly basis. Outside the cocoa season, most migrants travel to 'home towns' to help out on family land and to visit family and friends. On a weekly and monthly basis, migrants travel to larger urban areas to visit children at school there, for other social visits (funerals, marriages, etc.) or to attend services that cannot be found in Juaboso District. This mobility pattern has enabled many migrants to engage in the non-farm sector as they purchase goods on their travels, mainly to the larger urban areas,<sup>15</sup> to resell in Bonsu Nkwanta. As the migrant households increase their involvement in non-farm activities, travels to larger urban areas for buying goods, materials and tools correspondingly intensify. Hence, migrant households' mobility patterns are both a reason for, and a consequence of, their involvement in the non-farm sector.

For the migrant households in Kefass, however, this mobility pattern has not resulted in a strong non-farm sector. The main explanation for this is Kefass's isolated location. Its restricted access has hampered the development of the local market and of other trading and service activities. Furthermore, settlers in Kefass reported having better access to land for cocoa farming than is the case in Bonsu Nkwanta. Kefass therefore seems not to have been 'pushed' to diversify or shift livelihoods away from farming to the same extent.

Bonsu Nkwanta has continuously managed to attract migrants both from outside the district and region and from within the district. Initially this was due mainly to opportunities within cocoa production, but also, and increasingly so, due to the vibrant non-farm sector, which offers both business and employment opportunities. Within the district, Bonsu Nkwanta attracts many young people from the nearby rural settlements in search of jobs, business opportunities or goods. Furthermore, the fact that Bonsu Nkwanta offers mobile phone coverage, call centres, electricity, lively bars and a pulsating daily life, with people and goods travelling in and out of the settlement, is indeed also an explanatory factor for why young people especially commute or resettle there. While it may be an exaggeration to suggest that Bonsu Nkwanta is a pool for rural migrants, it is certainly attractive for settlers in nearby rural settlements. This is also the case for young people in nearby Kefass, who demonstrate a noteworthy degree of mobility by travelling to Bonsu Nkwanta often several times a week for leisure to take advantage of the services offered there. Also, commuting for reasons of employment or one's own business activities within the non-farm sector in Bonsu Nkwanta is intensifying. Some people from Kefass choose to move permanently to Bonsu Nkwanta, but due to the relatively short distance between the two settlements, most potential migrants choose to reside in Kefass due to lack of financial resources with which to build a house or rent a room in Bonsu Nkwanta and/or due to their having their main networks (family and friends) in Kefass. Clearly the linkages between Bonsu Nkwanta and Kefass are stronger than those between Bodi and Amoaya. This is not only a matter of distance, but also of the diversity of the market, levels of services and employment possibilities offered in Bonsu Nkwanta.

### **Concluding remarks**

This chapter has provided empirical evidence and insight into why some settlements in the Ghanaian cocoa frontier grow into small towns, while others stagnate and hardly change in size and functions. First and foremost, the chapter has demonstrated the significant development of small towns in a predominantly rural area, far away from the major urban centres of Ghana, and in settlements not laid out as district capitals. The chapter has identified three main factors affecting settlement development and small town functions: (1) location; (2) access to land; and (3) mobility patterns. The latter two factors are closely related to the nature of the population (indigenous versus migrants) and directly affect livelihood opportunities. Due to a combination of these main factors, settlements in the frontier have developed differently. For the two small towns, these factors have resulted in them having different functions for their rural hinterlands in terms of market, access to services, non-farm business opportunities and employment. The different functions have implications for each small town's ability to pull migrants from nearby rural settlements and sustain them.

Looking specifically at small towns, an obvious conclusion is that neither the development of small towns nor the function they have for nearby rural settlements can be applied universally, as these are determined by a series of factors that are particular to each small town. This suggests a need to analyse small-town development and functions on the settlement level, as small towns show great diversity, even within a limited geographical area with the same economic base, as is the case in Juaboso District. This conclusion is in line with those of other scholars, who have emphasised that the role of small towns in rural development is not simply positive or negative, and who reject generalisations and rather focus their analyses on what is specific and particular to each town and its rural hinterland (Hardoy and Satterthwaite, 1986; Baker, 1990; Pedersen, 1997; Tacoli, 1998; Satterthwaite and Tacoli, 2003; Owusu, 2008).

Most policy and planning in Africa is still inspired by the positive view of the role of small towns in rural development, which is embedded in the decentralisation programmes that have been implemented across Africa since the 1990s (Satterthwaite and Tacoli, 2003). Furthermore, in Ghana, the focus on the decentralisation of power and resources to lower levels of the urban hierarchy seems to have exacerbated the focus on district capitals for the location of public service investments. Consequently, small towns like Bodi and Bonsu Nkwanta have been largely overlooked by official regional planning policies in Ghana, despite their potential importance for their large rural hinterlands in providing access to markets, education and health services, as well as income-generating opportunities. Bonsu Nkwanta is already fulfilling some of these roles and could become an important focus for rural development. However, to succeed in this, regional planning policies must acknowledge and support the developments that are already taking place there.

## Notes

- 1 COCOBOD granted licences to 19 private companies in the 2007–08 crop season (Quartey, 2007).
- 2 PBC is also obliged to act as ‘the buyer of last resort’, thus guaranteeing all cocoa farmers an outlet for their production.
- 3 In 2000, these two cities accounted for about 34 per cent of the total urban population (GSS, 2002).
- 4 The survey covers households that live permanently in one of the four settlements, and thus it does not do justice to the large numbers of seasonal migrants entering the district in the harvest season.
- 5 This figure should be treated with caution, as it is based on the Population and Housing Census of 2000 (GSS, 2002). Demographic development in the district since then has undoubtedly resulted in a higher proportion of the population in the district residing in areas which today would be defined as urban.
- 6 The non-farm ‘sector’ is defined as encompassing all activities outside the agricultural sector, including services and manufacturing related to the transformation and processing of agricultural produce, as well as non-related services and manufacturing activities, but excluding wage or exchange labour on other farms.

Furthermore, it includes all forms of work taking place in a variety of locations (Satterthwaite and Tacoli, 2003).

- 7 An indigenous household is defined here as a household that belongs to one of the resident local Sefwi matrilineages, meaning that it has an inherited right of access to land for farming (Awanyo, 1998). Correspondingly, a migrant household that does not belong to any of the Sefwi matrilineages does not have any such right.
- 8 Distance from the district capital of Juaboso to Sekondi (regional capital), 350km; to Kumasi, 225km; and to Accra, 495km. Transportation to these urban areas mainly takes place by minibuses (so-called 'tro-tros') or share taxis. Only a few households in the research settlements own a car for private use.
- 9 According to the 2000 Population and Housing Survey (GSS, 2002).
- 10 According to Boni (2005: 127), a 'stool' can be defined as: 'symbolic artefacts charged with religious and political significance, managed by stool-holders, mostly chiefs, chosen from amongst the members of the matrilineage'. The land belonging to the stool, or in practice to the matrilineage as a group, is termed 'stool land'. Juaboso District is covered by four stool-lands, i.e. Boisan (Bonsu Nkwanta and Kefass), Bodi (Bodi), Amoaya (Amoaya and Kefass) and Benchima.
- 11 Mainly migration from small 'villages' located on the cocoa farms on the stool-land. These 'villages' usually consist of not more than two to five households.
- 12 Most LBCs are represented in Bodi and Bonsu Nkwanta.
- 13 There is no public provision of water in Bodi, nor in any of the other research settlements. Water is fetched from a few privately sponsored boreholes (mainly sponsored by NGOs and LBCs) and from nearby rivers.
- 14 During the rainy season, transport time can be up to an hour.
- 15 Most transport to Juaboso District from other regions of Ghana passes through Ghana's second largest city, Kumasi, where the majority of goods traded in Bonsu Nkwanta are bought.

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# 4 Living from coffee in Vietnam's Central Highlands

## Susceptible livelihoods and diverse settlement transformations

*Jytte Agergaard*

### Introduction

Vietnam's economic reform process was manifested in the Doi Moi policies of 1986, which in the late 1980s led to the dismantling of collective farming and the expansion of family farming. In the 1990s, these policies were accompanied by a break with the principle of regional self-sufficiency in rice production and the stimulation instead of agro-forestry production directed towards export. The expansion of coffee production is one example of this development. In 2000, Vietnam reached its current position as the second largest exporter of coffee in the world and at the same time became the largest exporter of the 'Robusta' variety. This position was gained through a dramatic increase in coffee production during the 1990s. However, the economic boom in the global coffee market in the 1990s became a bust at the turn of the century, resulting in a far-reaching crisis in Vietnam's coffee sector.

Around 60 per cent of coffee in Vietnam is produced in one single province, Dak Lak Province, located in the Central Highlands of Vietnam. Coffee is mainly produced by smallholders and is the dominant crop and source of income in the central part of the province ('the coffee belt') and to a lesser extent in the rest of the province. The area of land under irrigated coffee cultivation has increased ten-fold since 1975 (D'haeze *et al.*, 2005), especially since 1995 (Agergaard *et al.*, 2009). This remarkable rural expansion has changed the Dak Lak landscape significantly and is visible in the 'coffee belt' as a near absence of natural tree cover, except for the rubber tree plantations and uncultivable pockets of land. Closely linked to this development is more than 30 years of continuous immigration by Vietnamese households, primarily from the north. The resulting population growth has mainly been absorbed in rural settlements and urbanisation has remained scattered, except for the provincial capital and the district headquarters which have grown as centres for administration, trade and services.

The main objective of this chapter is to explore how settlement transformations relate to the dramatic changes in the coffee sector and how these transformations and the coffee crisis have impacted on livelihoods in the

coffee settlements. The chapter draws on data collected in four settlements, all affected by coffee expansion but characterised by different timings in respect of immigration and/or (re-)settlement and, related to that, different opportunities for benefiting from inclusion in the coffee sector. The chapter starts with a short introduction to Vietnam's role as a coffee producer, followed by an outline of the policies and practices of immigration and resettlement in Dak Lak. After describing settlement formation in the four survey communes, the chapter turns to analyse the links between livelihood and mobility dynamics in relation to settlement transformation. The conclusion addresses how the coffee crisis impinges on livelihoods and how differences in people's ability to resist crises, reflecting their different locations and degree and timing of their inclusion in the coffee sector, have affected urbanisation.

### **The coffee sector in Vietnam: boom, bust and slow recovery**

Coffee was introduced as a plantation crop during the French occupation, and its production continued partially during the reign of Diem's Republic of Vietnam (Southern Vietnam, 1954–1975). After the unification of Vietnam, coffee plantations were transformed into state collectives, and production was improved with the aid of East German expertise and finance, turning Vietnam into an exporter of coffee to its trading partners in the Eastern Bloc. By the turn of the century, Vietnam had reached its current position as the world's second largest producer of coffee. In 2006 Vietnam produced 850,000 metric tons of coffee, a figure exceeded only by Brazil, whose production of 2.59 million metric tons represents almost one third of the world's production (FaoStat, 2008). There are at least three reasons why Vietnam experienced this rapid growth in coffee production (Ha and Shively, 2008). First, the policies of privatisation and liberalisation (Doi Moi) that opened up smallholder production eased imports of fertilisers, etc. and paved the way for the international marketing of the product. Second, state-sponsored migration from the population-dense regions of the north for settlement in the Central Highlands set the exceptional expansion in coffee-growing areas in motion (see next section). Third, price increases in the world market, generated by a substantial decrease in coffee supply due to frosts in Brazil, motivated migrant and indigenous households to engage in coffee production.

Most of Vietnam's coffee is of the 'Robusta' variety. Traditionally 'Robusta' was almost exclusively used as an ingredient in instant coffee, but due to improvements in technological processing during the 1990s, roasters have increasingly been prepared to include more 'Robusta' coffee in their blends (World Bank, 2004). Accordingly, the demand for the much cheaper Robusta coffee has increased. More than 90 per cent of Vietnam's coffee is exported, primarily as green beans, since roasted coffee is not suitable for long-distance transport. After harvesting the coffee cherries, the most preliminary processing takes place on the farm. Before the beans are collected by local assemblers or buyers, most farmers dry their beans in the sun, and if they have access to

machinery, they also remove the green coffee beans from the shell (hulling) (de Fontenay and Leung, 2002). The poorer segment of coffee farmers, however, sells coffee cherries directly to the assemblers as 'wet coffee'. Hence, only very basic processing of the coffee takes place in Vietnam, while nearly all value added in relation to roasting is taking place close to the market in the Global North. At the producer level, minimal grading takes place, meaning that settling prices mainly vary with seasonal fluctuations in coffee prices. Until the late 1990s, state-owned enterprises (SOEs) functioned as the exclusive link between the international coffee companies and local collectors commissioned by the SOEs. However, in relation to liberalisation policies in the 1990s, international traders were invited to operate independently. Accordingly, local collectors and buyers can now trade with both the international traders and SOEs. Accordingly, the role (and the responsibility) of SOEs has been decreasing.

Between 1993 and 2000, Vietnam's coffee-producing area increased by about 24 per cent per year, resulting in an average rise in production of about 20 per cent per year (Oxfam, 2002). This exceptional expansion in coffee supply impacted greatly on world coffee-price fluctuations and eventually resulted in a dramatic decrease in prices between 1999 and 2002, where prices dropped by almost 75 per cent from the 1990s average of 180 US cents per kg (Agergaard *et al.*, 2009). While 'fluctuating fortunes for smallholders is a phenomenon neither unique to coffee nor Vietnam' (Ha and Shively, 2008: 312), the fact that the dramatic decline in prices coincided with the exceptional growth in outputs from Vietnam means that the country quickly found itself in the middle of a coffee crisis. Although by the end of the decade coffee was providing as much as 10 per cent of Vietnam's annual export earnings (Ha and Shively, 2008), national effects were modest, the crisis being much more profound on the provincial, local and household levels (World Bank, 2004). Dak Lak Province in particular was affected by the crisis in respect of: (1) a fall in coffee revenues combined with increased government expenditure (support for debt moratoriums and tax reductions); (2) a partial dismantling of services, as the government did not have funding to replace the services in health and education previously cared for by the coffee SOEs; and (3) post-crisis changes in the business environment, for example, reduced credit availability and a more modest use of purchased inputs, resulting in declining yields.

Since 2003, settling prices have slowly been increasing and stabilised at around 65–70 US cents per kg. Although the average coffee-growing smallholder in Dak Lak Province managed to attain incomes higher than households in other rural regions of Vietnam between 1999 and 2003, the province and its coffee farmers are still suffering from the crisis (Ha and Shively, 2008). During the crisis, the government offered direct support to farmers by halting reimbursements of debts. More official policies to counter the effect of the crisis have been to reduce the total coffee area, in particular on less suitable land, and to secure crop diversification by introducing (and supporting) the cultivation of other perennial crops such as cashew, rubber and pepper.



Before turning to the settlements chosen for the study and the analysis of the households' livelihood responses to the crisis and their spatial impacts, the next section provides an overview of the immigration and resettlement policies. This is of particular importance in understanding the setting for settlement formation in Dak Lak Province.

### **Immigration and resettlement in Dak Lak Province**

Since 1975, the population of Dak Lak Province has more than quadrupled to the current figure of 1,667,000 (Dak Lak Statistical Office, 2004). Immigration into the province has been continuous, having also taken place both during French colonial rule and the American war between 1954 and 1975. However, the planned resettlement during the post-war decade (1975–1985) represented a more systematic and organised effort at relocation. This signals a new era of immigration to Dak Lak province and was part and parcel of the government's plan to extend its New Economic Zone (NEZ) programmes, already embarked upon in the north. The core of the NEZ programmes was to relocate households from regions of high population, where people were competing for agricultural land, to regions with less pressure; originally, the highland areas were by and large occupied by non-Kinh ethnic groups living in longhouse communities practising shifting cultivation.

The first to move to Dak Lak Province in the late 1970s were young pioneers. Then followed the NEZ programmes, where families were offered the opportunity to resettle on cooperative land, with the right to occupy a piece of land for housing and gardening. Important instruments in pushing (in some cases forcing) rice producers from the north in particular to move to the highlands were economic incentives and privileges for resettling households, as well as the household registration system (see note 2 in Chapter 6 (p. 88) for an explanation). However, planned resettlement proved slow, and many resettled households became dissatisfied with life on the frontier and returned to their home villages (Dang *et al.*, 1997; Hardy, 2000, 2003). Since the mid 1980s, settlement not linked to the NEZ programmes has caught up with the planned resettlement, in particular in the first half of the 1990s when state intervention in farming was reduced further and coffee became acknowledged as a promising crop. Despite crisis in the coffee sector, Dak Lak Province continues to attract new settlers.

The formidable tide of immigration has changed the ethnic composition of the province. Today, indigenous minorities such as the Ede make up only 20 per cent or less of the total population of the province, compared to 47 per cent in 1975 (Oxfam, 2002). At settlement level, this has led to immigrants buying up land, coupled with growing landlessness or near landlessness on the part of indigenous households. But of equal importance has been the post-unification sedentarisation programme, directed towards 'fixed cultivation and settlement' of the minorities, whose lifestyle was seen as nomadic (Salemink, 2003).<sup>1</sup> In practice, indigenous households were allocated a piece

of land for habitation and cultivation in and around their hamlets, actually copying the settlement structure of the immigrants. In the process, old hamlets were divided and some households resettled in new locations, ideally to provide each household with 2 hectares of land near their houses. This dissolution of households and communities, and in particular the reduction of traditional land rights, has contributed to indigenous groups today being over-represented among the province's poor households (Oxfam, 2002; Doutriaux *et al.*, 2008).

Hence, settlement transformations in Dak Lak Province have been greatly affected by flows of immigrant households, and the planned and spontaneous resettlement of indigenous households. Also, the high influx of people has stimulated continuous demarcations, the most profound of these being the division of Dak Lak Province in 2006. At the local level, these developments have resulted in a pattern of indigenous groups and immigrants living separately. Nevertheless, most settlements share the practice of houses being located in proximity to farming land rather than in village-like clusters (Illustration 4.1). On a regional scale, settlements differ in terms of time of settlement and consolidation. Accordingly, some settlements were more consolidated in relation to developments in services, infrastructure and the business environment prior to the coffee crisis. This will be illustrated in the next section.

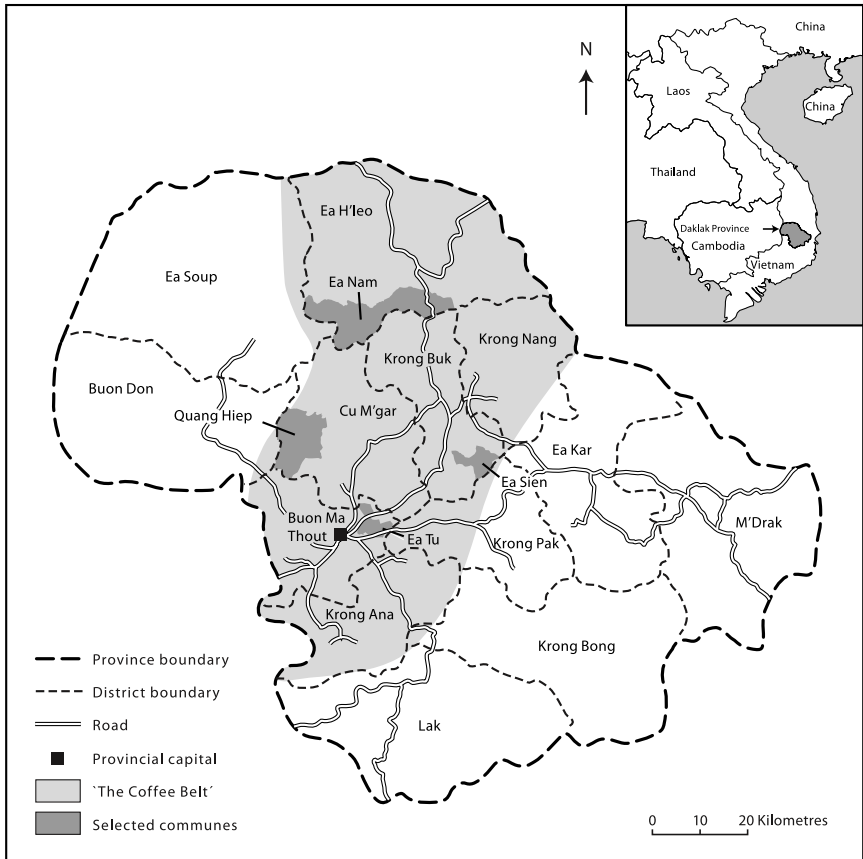


*Illustration 4.1* Typical coffee settler's house, located close to the smallholder's coffee-growing land.

Photo by Jytte Agergaard

**Settlement formation in the coffee belt**

The districts of Dak Lak Province can be divided into three categories from the point of view of their suitability for coffee: (1) highly favourable for coffee growing; (2) moderately favourable for coffee growing; and (3) unfavourable for coffee growing (Oxfam, 2002).<sup>2</sup> All the districts selected for this study lie within the first category, referred to as the ‘coffee belt’. By selecting districts which are highly favourable for coffee production, the aim was to rule out the major variations in production being due to differences in the overall suitability of the area for coffee growing. Four districts were chosen at differing distances from the provincial capital: Buon Ma Thout District includes the provincial capital; Cu M’gar District is adjacent to the provincial capital district; Krong Buk District lies to the northeast of the capital; and Ea H’leo District is in the north of the province (Figure 4.1). Within each district, one



*Figure 4.1* Map showing location of study communes in Dak Lak Province.

*Source:* Redrawn from the digital map provided by the Dak Lak Department of Agricultural Development, Dak Lak Province. The map is not published.

commune was selected for the study according to the timing of settlement and its ethnic composition (Table 4.1). In each commune, one to three villages were selected to represent the commune (Table 4.2).

Rural settlement dominates the 'landscape' of habitation, urban clusters being fewer. Clear exceptions are the urban concentration and sprawl of the district centres. Another exception is the comprehensive growth of the provincial capital, Buon Ma Thout. Growing affluence in the province has stimulated all sorts of retail, services and private and public education, and national and international coffee trading companies have continuously built offices and storing facilities in the city. In 2005, it became a second-order urban centre in Vietnam.<sup>3</sup> On the other hand, industrial and handicraft enterprises are almost absent, although since 2005 Buon Ma Thout has for the first time laid out areas for industrial development. In the following, the four survey communes are presented according to their settlement characteristics and urbanisation trajectories.

*Table 4.1* Background statistics for the four survey communes, 2004

	<i>Ea Tu Commune</i>	<i>Quang Hiep Commune</i>	<i>Ea Sien Commune</i>	<i>Ea Nam Commune</i>
Households	2731	2310	1639	2259
Population	13,885	11,229	9040	10,726
Number of villages	13	11	16	17

*Source:* Based on information from People's Party Committees at district and commune levels.

*Table 4.2* Background statistics for the survey villages

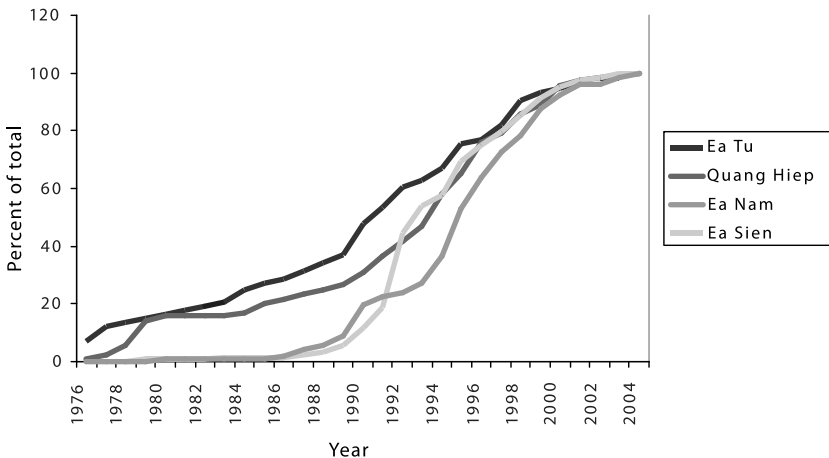
	<i>Ea Tu Commune</i>	<i>Quang Hiep Commune</i>	<i>Ea Sien Commune</i>	<i>Ea Nam Commune</i>
Survey villages	Ko Tam	Hiep Thang Hiep Tien	Village 1b Village 2a D'lung 2	Village 4 Ea Den
Approximate age of villages (years)	> 100	35	25	15
Ethnic composition	Ede Kinh	Kinh	Nung Ede Kinh	Kinh
Immigrant households % (*)	41	100	86	100
Number of households	539	347	356	242
Number of households surveyed	182	121	149	122

*Source:* Author's household survey, 2006.

*Note:* \* Households where head of household was not born in the surveyed commune.

***Ea Tu: peri-urban coffee settlement***

Ea Tu is located in the north-eastern part of Buon Ma Thout District. It has developed around an old Ede hamlet and can date its history back more than a hundred years. Immigration has been a continuous process, dating back to before the planned resettlement (see Figure 4.2), though the majority of households are still Ede. Compared to other settlements, many settlers in Ea Tu have previously lived in other Dak Lak districts. The area is characterised by its flat terrain, and more than one third of the houses are either old or modern versions of the Ede longhouse. Unlike the other settlements, the density of houses is high and the average size of landholdings low. Feeder roads into the settlement are paved, and the secondary roads are upgraded dirt roads of good quality. Four coffee collectors are all well established in the village, and most coffee smallholders are well serviced with hulling facilities. Shops selling daily necessities are located along the main roads, which can be reached by bike in less than 20 minutes by most households. Bus services to and from the centre of Buon Ma Thout are frequent. Accordingly, it is possible for both poor and more affluent households to have one or more household members commuting on a daily basis. Access to health and educational services is also favourable, as is illustrated by the location of a primary school in the settlement and secondary schooling located at the border of the commune to the west. Growing urbanisation is also reflected in (primarily) foreign aid-induced investments in water and drainage systems. Despite the relatively high levels of services, the commune spans huge disparities in living



*Figure 4.2* Head of household's year of arrival in Dak Lak Province in cumulative per centage of total number of households.

*Source:* Author's household survey, 2006.

*Note:* Immigrant households (HH) make up 100% of all households in the Quang Hiep and Ea Nam samples, while the same figure for Ea Sien is 86% and for Ea Tu only 41%.

arrangements (Table 4.3). Accordingly, Ea Tu can be described as a peri-urban settlement that is gradually becoming integrated into the Buon Ma Thout urban development (Illustration 4.2). Despite obvious signs of crisis in the coffee sector, Buon Ma Thout continued to urbanise after 2000, which has positively impacted on service provision in peri-urban areas such as Ea Tu.

*Table 4.3* Diversity in housing standards in the four survey communes (% of total households)

	<i>Ea Tu Commune</i>	<i>Quang Hiep Commune</i>	<i>Ea Sien Commune</i>	<i>Ea Nam Commune</i>
Large house (4+ rooms)	12	5	6	3
Medium house (2–3 rooms)	56	70	60	66
Small house (1 room)	24	19	32	24
Brick/cement	42	17	24	36
Timber walls	58	83	76	64

*Source:* Author's household survey, 2006.



*Illustration 4.2* The northern entrance to the provincial capital Buon Ma Thout, which is gradually expanding to include rural coffee settlements on the outskirts.

Photo by Jytte Agergaard

***Quang Hiep: mature pioneer settlement***

Quang Hiep has developed around one of the forest farms established shortly after the unification of Vietnam and consists exclusively of immigrant households. Pioneers from the Da Nang area were offered various jobs in the new enterprise, and the commune has continued to attract farmers, particularly from Da Nang Province. Immigration to Quang Hiep has been gradually increasing from 1976 onwards, and more than 40 per cent of households had settled prior to the coffee expansion of the 1990s. The majority of houses are made from timber, which partly reflects its availability on the forest edges, but can also be explained by the temporality of houses and land in Quang Hiep. The fact that more than 50 per cent of households do not formally hold land certificates has resulted in semi-permanent housing. The road connecting Quang Hiep to the district centre of Cu M'gar was upgraded and paved before 2002. This development has resulted in better connections to traders and services in the district centre and has also stimulated business in the small trading community, located in proximity to the buildings of the old forest enterprise now housing the People's Party Committee of the commune's offices. Hence, Quang Hiep's history as a pioneer settlement, the gradual immigration and government investments in infrastructure from the mid 1990s onwards, have stimulated the gradual growth of a small local trading centre that was put in place before the economic recession. Accordingly, traders and shopkeepers have in most cases managed to survive the crisis, while small craftsmen and traders in 'luxury goods' have either closed or diversified, waiting for the smallholder economies to recover.

***Ea Sien: 'stretched' settlement***

The centre of the Ea Sien commune is inhabited primarily by Nung settlers from Lang Son Province in the north of Vietnam. Settlement started in the late 1980s, when soldiers from Lang Son were stationed in the area. The Nung community was established around the cultivation of rice and maize, which, together with poor development in infrastructure, explains why coffee has not developed as a mono-culture in the area. Subsequently, more settlers have arrived, many from Lang Son, but gradually also from other districts in Dak Lak Province. Ede households, for example, have been seeking their fortunes in the less-populated Ea Sien area. Originally, the northern part of the commune was inhabited by an Ede community that became sedentarised and divided in response to population growth in the early 1990s. In the early 2000s the commune's borders were changed, and Ea Sien became part of Krong Buk District, whereas most of the commune was previously part of Krong Pak District. In effect people travel both west and south for shopping. More recently, the commune has acquired status as a 'development commune', which means that Krong Buk District has committed itself to investments in infrastructure, schooling and other services. Although the commune centre

has become better connected to its hinterland, the general upturn in coffee has not stimulated the development of trading and services in Ea Sien. Hence, coffee has not stimulated urbanisation in the commune, and it is doubtful whether government investments in infrastructure alone will drive such development because the stretched location of households will not stimulate local shopping and trading.

### ***Ea Nam: a recent coffee settlement***

Ea Nam, located in the north of the province, is the most recent of the four communes. It is almost exclusively inhabited by immigrants, the first settlers having arrived in the mid 1980s. Immigration, stimulated by the high expectations of growing coffee, gained momentum from the mid 1990s onwards. Poor-quality gravel roads radiate out from the paved north–south road, meaning that many households have difficulties in reaching the main road during the rainy season. However, once the main road has been reached, people have easy access to the small markets that have developed five kilometres to the south and close to the district centre to the north. This relatively disadvantageous location is compensated for by the more affluent farmers, who have built an extra house near the road, from where their children can easily go to school. Coffee is the main activity in the area, and these farmers have benefited from relatively large coffee plots. However, a majority of coffee smallholders suffered directly from the falling coffee prices because they were about to take their first full coffee harvest at the time the prices collapsed. This is probably one important reason why shopping and trading within the commune is limited to one trader and two collectors. Consequently, most farmers depend on travelling collectors and traders, and they also have to spend more time acquiring daily necessities. Currently, there are no official plans to upgrade the village infrastructure in general, nor are there any plans to strengthen service provision. Also, it is unlikely that the local business environment will flourish in the near future. The development of Ea Nam, with its high dependence on coffee and young and/or immature institutions, has suffered from the economic recession. Hence, in spite of Ea Nam's 'favourable' location along the north–south main road, urbanisation has not been stimulated in the same way as in the older settlements of Ea Tu and Quang Hiep.

### **Livelihoods and mobility in the coffee settlements**

The preceding section has illustrated in some detail the considerable diversity in settlement histories and urbanisation trajectories. While settlement transformations obviously differ, there are also some obvious similarities due to the fact that the majority of households depend directly or indirectly on the coffee crop, whether as smallholders or as coffee labourers (Table 4.4). In the following, some of the characteristics of how livelihoods have come under pressure during the preceding ten years will be presented.



Table 4.4 The significance of households' engagement in coffee farming

	<i>Ea Tu Commune</i>	<i>Quang Hiep Commune</i>	<i>Ea Sien Commune</i>	<i>Ea Nam Commune</i>
Smallholder coffee farming households (%)	85	75	73	95
Employed in coffee farming (%)	18	19	41	21
Average area of smallholding (ha)	0.7	1.5	1.0	1.8
Average area of land under coffee cultivation (ha)	0.6	0.8	0.5	1.5
Average coffee yield (kg/ha)	1479	1379	1382	1436
Percentage of coffee smallholders with yields < 1000 kg/ha	39	37	45	28
Percentage of coffee smallholders with yields > 2000 kg/ha	28	27	17	18

*Source:* Author's household survey, 2006.

The majority of households have a low degree of self-sufficiency in food crops and depend on cash incomes to buy almost all their necessities. The cultivation of food crops is limited, while commercial agriculture (primarily coffee, but also cashew, pepper and rubber) predominates. Rice farming is almost exclusively practised by indigenous households, though seldom in quantities sufficient to feed the family. Nonetheless food crops are not neglected, as is illustrated by most farmers' cultivation of food crops in the coffee fields during the three to four years between planting coffee and starting to harvest. Currently, most farmers also cultivate green leaves, etc. to garnish their daily meals on the small pieces of garden land around their homes. Also, some households manage to cultivate crops like pulses and cassava on patches of communal land, including ditches and borderlands, during the spring. However, these outputs are never reported in official data on farming portfolios.

Another feature typical of the coffee farmers is their almost complete lack of knowledge of coffee farming previous to their settlement. Most farmers report that they learned about coffee cultivation through the grapevine, and a few have participated in training and/or have acquired agronomic knowledge through books and pamphlets. What most farmers also note is that, although sufficient water and fertilisers are decisive for acquiring high yields, skills and knowledge regarding the amount and timing of these additives and the general care of the plants are of equal importance (see also D'haeze *et al.*, 2005). A qualified extension service has been provided through the local Farmers' Unions. However, membership of these is dependent on membership of the Party, to which you are appointed; hence, this is not an option for the majority of households. Consequently, most farmers rely on a locally provided extension service (through the commune) or project and programme officers

visiting the farmers. As one farmer said, expressing his frustration: ‘They come in a car and say they will help you. Then they drink your tea, chat for a while, close the door and say goodbye’ (interview, Ea Nam, 2 June 2006).

The importance of producing high(er) yields has grown dramatically since the coffee prices started their collapse. Hence, farmers have been eager to improve their outputs in order to compensate for the falls in prices. While the government response to the crisis has been to try and reduce coffee-growing areas, forcing coffee farmers with plots of poor soils or poor conditions for coffee farming to abandon coffee production, the farmers’ response has been to make investments in irrigation and fertilisers. Often this has resulted in increased borrowing on top of the loans that farmers have already taken out to acquire their plots. Hence, the coffee crisis has opened up a debt spiral for many coffee smallholders and led to increasing dependencies on traders, who are commonly the ones to offer the loans; often the smallholders have to provide security in the form of the coming harvest. On top of the difficult debt economy, many farmers have not been able to benefit from the moderately increasing prices in coffee in the 2000s because their settling prices have been fixed at a low level. For the poorest households, which could not obtain loans, the crises have simply resulted in a neglect of additives, which has produced very low yields as a result. The low yields in the survey communes can be observed by comparing the average yields of around 1.4 tonnes/ha (Table 4.4) with the estimated yields of 2.7 tonnes/ha for moderately suitable coffee land (D’haeze *et al.*, 2005: 67). Given that up to 45 per cent of coffee smallholders in some communes produce less than 1 tonne/ha, it should be acknowledged that coffee production is far from optimal.

The fact that smallholder economies have come under pressure is also illustrated by the increase in the number of households supplementing and/or building their incomes on employment (the majority doing farm work or unskilled work; see Table 4.5). Accordingly, the huge influx of labour migrants

*Table 4.5* Patterns in income diversity 1996 and 2006: number of households acquiring their income from various income activities

	<i>Ea Tu Commune</i>		<i>Quang Hiep Commune</i>		<i>Ea Sien Commune</i>		<i>Ea Nam Commune</i>	
	1996	2006	1996	2006	1996	2006	1996	2006
Smallholder farming	153	162	104	113	143	147	116	122
Employment	49	102	29	51	40	76	12	41
Trade	8	25	9	21	0	4	2	4
Livestock keeping	3	22	7	26	1	24	0	18
Sample size		182		121		149		122

*Source:* Author’s household survey, 2006.

from the north taking up employment during the coffee harvest from late November to late January, known from the 1990s, has been replaced by the employment of 'local' workers. In 2006, 25 per cent of coffee farmers employed farm labourers, of whom less than 10 per cent were migrants (author's household survey). In Ea Tu and Ea Sien communes, where more than 50 per cent of households are engaged in farm work or unskilled work, it is particularly the Ede households that follow this option. In Ea Sien, which also has the highest number of households employed in coffee, a particular relationship has developed between more affluent coffee farmers near the district centre in Krong Buk and poor farmers from Ea Sien.

Keeping livestock is another strategy for diversifying incomes. Farmers mainly keep chickens, ducks or pigs, while the tradition among the Ede of keeping buffaloes has almost vanished, not least as a consequence of the sedentarisation of the indigenous households, with their consequent loss of extended areas for grazing. However, raising livestock for sale is still rather limited, as is the propensity of households to engage in trading. As shown in Table 4.5, trading has mainly developed in Ea Tu and Quang Hiep, but is almost absent from Ea Sien and Ea Nam due to their limited urbanisation. Thus, even though livelihood diversification has increased since the mid 1990s, opportunities for income diversification vary.

Diversification in farming is another strategy that has been adopted to counter dependence on price fluctuations in coffee. In Quang Hiep, concerted government efforts have been invested in introducing alternative crops such as pepper and cashew, as is reflected in Table 4.4, with the difference in average landholdings, especially those under coffee cultivation. While pepper has shown itself to be an even more precarious crop than coffee, cashew cultivation has been more successful, and many poor households have been able to change from coffee to cashew. Likewise, Ea Sien is characterised by diversification in farming, more as a consequence of its slow inclusion in the coffee sector than in response to the crisis in that sector. In contrast, Ea Nam is characterised by an almost total absence of crop diversification. More recently, however, poor farmers have been offered compensation if they drop out of coffee and plant *Melia* trees, which might produce good timber in ten years' time.

### ***Migration and mobility***

In analyses of the livelihood effects of the coffee crisis, the importance of migration and mobility is usually neglected. Given the high number of migrant households, remittances could play a significant role as an economic safety net for coffee households under pressure. However, our data indicate that there are few regular economic transfers to and/or from family members living elsewhere. On the other hand, contacts with immigrants' homes contribute to livelihoods in more subtle ways. Favourable borrowing from family and kin in relation to household separation is an obvious case. Additionally,

interviews with coffee farmers reveal that, at various points in time, by ‘playing’ the household registration system, they have been able to claim services and opportunities in both locations. The most striking feature, though, is educational strategies, where households have been schooling their children at ‘home’, not only in response to poor schooling opportunities in Dak Lak, but also due to the lack of economic and social resources with which immigrants can support their children’s schooling. In Ea Nam, even more flexible arrangements were observed; some immigrants have been able to ‘commute’ between their coffee farms in Dak Lak and their rice farms in Binh Dinh Province (8–9 hours away by bus). Due to daily bus services, farmers travel frequently between their two homes. It is difficult to value the significance of these multi-local arrangements. However, they clearly privilege certain groups of migrants, while indigenous households seldom have access to such safety nets.

Access to daily mobility is of equal importance. For the poorer segment of households, mobility for work is crucial. Such mobility is supported by public transportation and/or access to motorised vehicles to overcome the distances between home and work. As shown in Table 4.6, between 20 per cent and 40 per cent of households do not possess their own means of transportation, which is particularly problematic in Ea Sien and Ea Nam, where there is only limited access to public transportation, and from where people have to travel longer distances not only to work, but also to access services. The need for transportation has increased in the past five to ten years, as prices in the local markets have increased. Government subsidies for foodstuffs have disappeared, so local prices have come to reflect actual market prices, meaning that households in poorly serviced areas such as Ea Sien and Ea Nam have a stronger incentive to travel to more urbanised markets. Thus either people are having to spend time and money travelling to buy goods or will have to spend more money on their local purchases. Hence, in these settlements, the households that are suffering most from the crisis in the coffee sector are those lacking proper means of transportation.

*Table 4.6* Percentage of households possessing selected means of transportation

	<i>Ea Tu Commune</i>	<i>Quang Hiep Commune</i>	<i>Ea Sien Commune</i>	<i>Ea Nam Commune</i>
Bicycle	74	55	56	36
Motorbike	61	77	57	76
<i>(Xe) may cai</i>	36	25	37	21
Vehicle	6	11	3	5
Having neither motorbike, <i>may cai</i> nor vehicle	32	22	39	20

*Source:* Author’s household survey, 2006.

*Note:* A *may cai* is a three-wheeled motorised scooter with a detachable trailer.

## **Conclusion**

This chapter has described how, during the 1990s, Vietnam, and in particular Dak Lak Province, became a giant producer of coffee for the world market and explained how the role of coffee as the dominant crop made the region susceptible to fluctuating world market prices. Area expansion in coffee from the early 1990s has been an extreme generator for literally all household types in Dak Lak's coffee belt. This development is closely related to the post-unification immigration of households from the north. While emphasising that coffee has probably been the most important driver of overall settlement formation in Dak Lak Province, it has been shown that population policies, such as planned settlement, sedentarisation and new demarcations, have strongly impacted on the overall pattern of settlement formation in the province.

Physical location and timing are important factors in explaining the marked differences in the settlements' urbanisation trajectories. It has been shown that the older settlements have developed small trading centres in relation to commune centres, while settlements that developed from the mid 1990s onwards have not urbanised much and hardly will in the near future. This is not least because they will not benefit from the booming coffee economies that have stimulated pre-crisis market developments in the older settlements. This situation is greatly affected by the abilities of different households to cope with economic crisis from the early 2000s onwards. Coffee smallholdings, established from 1994/95 onwards, have been particularly hit by the crisis because their first full coffee harvest coincided with dramatic falls in prices. To counter the effects of the crisis, opportunities for the diversification of incomes are crucial. In that respect, households in the old settlements have greater opportunities than in the two younger ones. The economic crisis and the government's withdrawal of subsidies have further disadvantaged small local markets, where prices now reflect transport costs and limited opportunity costs. Hence, the undeveloped infrastructure in the young settlements further hampers livelihood diversification and also impedes market access and service provision.

Migration, multi-locality and mobility are also important livelihood resources and encompass more than 'access' to markets. It has been shown that many migrant households maintain strong networks with family and kin in the north, and in some cases stretch their households between the north and Dak Lak Province. Regular remittances are not significant, but multi-local practices provide these households with extra resources. However, these extra resources are not available to most indigenous households, which, already dispossessed as a consequence of many years of sedentarisation policies and practices, risk being further disadvantaged.

## Notes

- 1 Competition for land on the frontier was far from new. While the French were eager to establish plantations, the process of territorialisation of the highlands between 1954 and 1974 was more mixed. On the one hand, the American presence was concerned with resettlement of indigenous groups in strategic hamlets. On the other hand, South Vietnamese nation-building attempts were directed towards the sedentarisation of indigenous groups (Salemink, 2003).
- 2 Oxfam developed this classification based on advice from coffee experts in the Dak Lak Department of Agriculture and Rural Development.
- 3 Urban centres in Vietnam are classified into six grades: special grade (Hanoi and Ho Chi Minh City), and grade-I to grade-V urban centres. The grade-II urban centre is defined as: '1) Being an urban center with the function as a political, economic, cultural, scientific-technical, tourist and service center, traffic hub and an exchange center of a province, inter-provincial region or in the whole country, and playing the role of boosting the socio-economic development of an inter-provincial region or the whole country in several domains; 2) The non-agricultural labor represents 80 per cent of the total labor force or higher; 3) Having an infrastructure built in many sectors becoming synchronous and complete; 4) Having a population of 250,000 or more; 5) Having an average population density of 10,000 people/km<sup>2</sup> or more' (Decree No. 72/2001/ND-CP of October 5, 2001 on the classification of urban centers and urban management levels).

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# 5 Rise and fall of smallholder pineapple production in Ghana

Changing global markets,  
livelihoods and settlement  
growth

*Katherine V. Gough and Niels Fold*

## Introduction

The export of pineapples from Ghana has been one of the success stories for a country struggling to find alternative sources of foreign capital. Initially grown by smallholders in the Akwapim Range, production has been increasingly dominated by large-scale pineapple farms located to the west. This shift has coincided with the development of a new type of pineapple (MD2) which has come to dominate the global pineapple market. Smallholders have experienced the bottom falling out of the market for the Smooth Cayenne variety that they grow, but have been unable to switch to the new variety as MD2 pineapples require capital-intensive investment. Some farmers have suffered heavy financial loss as they have been unable to sell the pineapples they have grown, whilst others have lost the land that they have been cultivating for generations to large commercial farms. A few of the most successful farmers, who all started off as smallholders, have been able to expand their pineapple production and maintain sales to pineapple-processing companies located nearby.

This chapter focuses on the changes taking place in livelihoods and settlements located in the Ghanaian pineapple frontier, exploring the ways in which the explanatory factors for these changes lie in both global processes and local particularities. Correspondingly, the chapter is divided into two sections. In the first section we discuss the dynamics of the global market for fresh pineapples, highlighting how supermarkets and multi-national companies are increasingly controlling the export market for fresh fruit. In the second section we turn to focus on changing livelihoods, and their impact on settlement growth, in two settlements which have been dominated by pineapple production in Ghana. We show how both settlement growth and livelihood opportunities can be highly determined by the changing fortunes of one crop though in varying ways. In particular, access to land associated with membership of an ethnic group influences livelihood opportunities in the pineapple frontier which in turn affects settlement growth and contraction. Hence, we argue that although all residents in the pineapple frontier



have been affected by the changes in the global pineapple market, the ways in which these are worked out at the local level vary not only between but also within settlements.

### **Dynamics in the global market for fresh pineapples**

Since the mid 1980s consumption in the industrialised countries of fresh fruit from the Global South has increased substantially in both scope and diversity. Up till then, only bananas, previously the archetypical example of a tropical fruit, were internationally traded on a significant scale. Bananas were gradually supplemented by other tropical fruits, including fresh pineapples, and counter-seasonal temperate products from countries such as Chile, Argentina and South Africa. The shift in supplies was primarily caused by new developments in cooling techniques and logistics that allowed the cultivation of fresh produce (fruit and vegetables) to be increasingly geographically separated from consumption. In addition, the dietary patterns of consumers in the Global North changed towards a more healthy composition with a higher share of fresh produce. Initially this trend was most pronounced among more affluent consumers but it progressively became more widespread (Friedland, 1994).

This shift in dietary patterns took place in the same period as the retail sector in the Global North was significantly restructured (Busch and Bain, 2004). As a general trend, supermarkets have taken over most of the food provisioning business from traditional wholesalers and local retailers. At the same time, consolidation processes within most national retail sectors resulted in structurally similar situations whereby only a handful of supermarket chains control the bulk of food retail marketing and sales. Some observers argue that supermarkets have transformed their functions from mere food distribution to strongly influencing consumption patterns by constructing new demand patterns via product innovation and differentiation, for example by introducing convenience foods such as ready-meals and different cuts of (seasoned) meat (Dixon, 2007). Supermarkets have also expanded their involvement upstream with suppliers and strongly influence production via so-called own-brand products and the implementation of standards for suppliers in terms of requirements for food safety and quality (Burch and Lawrence, 2007). In this sense, geographically dispersed production and consumption of food is aligned via the supermarkets, in turn positioning them as guarantors of 'consumer interests' by, for example, promoting particular products as part of a healthy diet.

Even though there are significant differences in the scope and nature of supermarket dominance between countries in the European Union (EU), the general picture painted above applies to the provisioning of fresh produce. During the past two decades, consumers in the EU have purchased increasing volumes of fresh produce, including fruit from the Global South, in supermarkets at the expense of local greengrocers and operators at wholesale

markets. Initially, wholesalers maintained a role in the supply chain as mediators between growers/exporters and supermarket chains. However, as part of a general process of rationalisation and supply chain re-organisation, supermarkets have increasingly come to rely on a small number of preferred suppliers (Humphrey, 2006). These companies have the ability to expand and upgrade their functions in accordance with the outsourcing strategies of the supermarkets. In addition, they are able to monitor the product standards set by the supermarkets so that quality requirements are controlled upstream in the supply chain. Usually, these companies assume full responsibility for sourcing specific categories of closely related products to supermarkets, for instance a subgroup of tropical fruits. The companies thus become so-called category managers.

One of the consequences of the comprehensive introduction of standards into supply chains and the appearance of category managers has been a corresponding concentration of producers away from smallholders to larger grower/exporters in the Global South (Dolan and Humphrey, 2004). For the category managers, these large-scale producers can more readily comply with given standards as they are easier to monitor, transaction costs are smaller, and they have the capacity to accommodate lower-profit functions that are outsourced such as cutting, packing, bar-coding, etc. It is still possible, however, for smallholders in the Global South to enter and maintain a position as suppliers of fresh produce to supermarkets or traditional wholesalers in the EU. Fresh produce is considered a non-traditional, high-value crop with considerable export potential for smallholders. Numerous activities and aid projects have been implemented by multilateral and bilateral donors, often in cooperation with NGOs, with the aim of incorporating African smallholders in supply chains to buyers in the EU. Some of the large-scale growers/exporters operate schemes in which selected smallholders are trained and monitored to produce products according to the prevailing product and process standards. In general, the increasingly global nature of procurement areas and the logistic capacity of sourcing agents result in new opportunities for smallholders. The sourcing networks may potentially act as 'springboards' to global markets and previous arm's-length supplies to distant wholesale markets may be replaced by a close relationship with active marketing agents. In addition, some of the standards on product quality and food safety may be used for a proliferation of existing markets via product differentiation (Henson and Jaffe, 2006; Masakure and Henson, 2005).

The nature and importance of smallholder involvement, however, seems to fluctuate in phases as imports of fresh produce from the Global South tend to traverse through three successive phases (Reardon and Flores, 2006). In the initial phase, the new product exploits the benefits of a narrow niche market where profits are relatively high for early entrants. Even though high profits seldom trickle down to smallholders, they are nevertheless an important part of the supplier base in this phase. If the product is successful and the market expands, large-scale suppliers will start production, in turn

transforming the product to a basic commodity. In this second phase, smallholders tend to be marginalised in the supplier base as price becomes the main competitive parameter. Finally, in the third phase, the basic commodity is subject to innovation and product differentiation resulting in the creation of a series of new niche markets, not least due to the implementation of process standards (e.g. fair trade and organic products).

This brief outline of the dynamics of the retail sector in the EU and the conditions for smallholder involvement in fresh produce exports from the Global South serves as a broad framework for understanding the globalisation process of fresh pineapples and the incorporation and subsequent marginalisation of Ghanaian smallholders (Fold and Gough, 2008). Consumption of fresh pineapple took off during the 1980s, particularly in the US where production was re-located from Hawaii to Costa Rica and on a smaller scale in other Central American countries. Traditionally, pineapple production for the US market was dominated by large plantation companies, notably Dole and Fresh Del Monte, who had an economic basis in banana trade. These plantation companies dominated production in Costa Rica but other companies and local large-scale producers were also involved. The pineapple sector in Costa Rica was rapidly developed with infrastructure (including roads and ports) and the necessary cooling facilities along the chain. Production and exports increased tremendously during the 1990s and after the turn of the century, resulting in Costa Rica dominating pineapple exports on the world market; for example, pineapples from Costa Rica constituted almost 70 per cent of total imports to the EU by 2007 (MIR, 2008). This has been mainly due to the successful development of a new variety of pineapple (MD2) that was massively planted in Costa Rica, initially by Fresh Del Monte who managed to get a 10-year patent in 1993. MD2 is considered to be better adapted to consumer preferences in terms of taste (sweet), colour (golden), shape (rounded) and size ('family-meal' with no need for storing leftovers in the fridge). Whether these characteristics appeal to 'intrinsic' consumer preferences is hard to tell but comprehensive marketing campaigns certainly stressed these virtues. Almost all large-scale pineapple companies have switched to produce and export MD2 whilst other varieties have concurrently experienced a dramatic decrease in global demand.

In the EU, most of the booming demand in the 1980s for pineapples was covered by exports from French plantation companies located in Côte d'Ivoire. In the late 1990s and just after the turn of the century, exports from Ghana also increased substantially, coinciding with the growing demand for fresh pineapple among European consumers. The majority of pineapples from West Africa were of the Smooth Cayenne variety, a bigger pineapple with a somewhat bitter taste compared to MD2. In contrast to MD2, Smooth Cayenne is more sturdy and less perishable, hence easier to cultivate and harvest for smallholders with limited access to cooling facilities (Illustration 5.1). At the same time as Ghanaian exports increased, the major US



*Illustration 5.1* Freshly harvested pineapples lie by the roadside ready to be packed into containers and loaded into a waiting truck.

Photo by Katherine V. Gough

plantation companies started an offensive marketing campaign for MD2 in the EU. The US market had gradually become saturated and production capacity in Central America was sufficient to cover both the US and EU markets. As part of the strategy, the plantation companies also acquired existing European wholesale and distribution companies thereby expanding their facilities and logistic capacity in the EU market. Some of the French plantation companies, including shipping lines, were also taken over by the US plantation companies. In essence, the US companies were able to catapult their pineapples directly onto the supermarket shelves, bypassing existing category managers or traditional wholesale markets where necessary. Direct access to consumers with product promotion and marketing was supported via in-store campaigns. The swift conquest of the EU market for fresh pineapples took place at the expense of traditional smallholder-based exports of Smooth Cayenne pineapples from Ghana and Côte d'Ivoire, the latter marred by civil war. As we shall now turn to show, the dramatic decline in exports from the West African countries had severe impacts on smallholder households and settlements in the Ghanaian pineapple frontier.

## **Changing livelihoods and settlement growth in the pineapple frontier**

The livelihoods of the inhabitants and the nature of settlement growth in the Ghanaian pineapple frontier can broadly be divided into three phases roughly corresponding to the production and export trends for pineapples outlined above: a period before pineapples became the main income source (pre-1990s), a boom period in the pineapple sector (1990s–early 2000s) and a post-pineapple boom period (post-2005). For each phase, the changing and diverse nature of livelihoods and their impact on settlement growth will be discussed. First, however, the nature of the pineapple frontier and the profiles of the settlements studied will briefly be outlined.

### ***Ghanaian pineapple frontier***

Pineapples are predominantly grown in the south of Ghana in the area where the Eastern, Central and Greater Accra regions converge. Pineapples were introduced into the Akwapim Hills in the Eastern Region in the 1980s by smallholders from the indigenous landholding groups. During the 1990s, a number of international NGOs assisted the smallholders in organising cooperatives to streamline production, collection, transport and shipping of their pineapples. When the demand for exports rose during this period, large-scale cultivators became interested in entering the market but were unable to obtain large tracts of land in the Akwapim Hills. They headed west and obtained leaseholds for land in the Central Region and Greater Accra Region where they set up extensive commercial pineapple farms. The nature of the expansion of pineapple production is closely related to the customary system of land tenure in Ghana which is central to understanding access to livelihoods and settlement growth (Alhassan and Manuh, 2005). Most land in Ghana is held under customary land tenure arrangements. The ownership of land is communal, with traditional authorities (usually chiefs and elders) acting as trustees having the right to allocate land. Members of the indigenous land-owning group who are allocated land usually continue to have the rights to the land as long as they are cultivating it. Migrants in host communities, referred to as ‘strangers’, do not have the same rights of access to land. Regardless of how many generations have been resident in a settlement, they cannot become indigenous and do not have access to communal land. Strangers can acquire access to land, however, if some is available, through a range of means (Kasanga, 2001; Kasanga and Kotey, 2001). A common method in the pineapple-growing areas is through the system of *abusa* whereby the landowner receives one third of the crop as payment for the use of the land. In situations of land scarcity, indigenous people may also expand their access to land under the *abusa* system.<sup>1</sup>

In order to explore changing livelihoods and settlement patterns in the pineapple frontier, one settlement was studied in the original Akwapim Hills

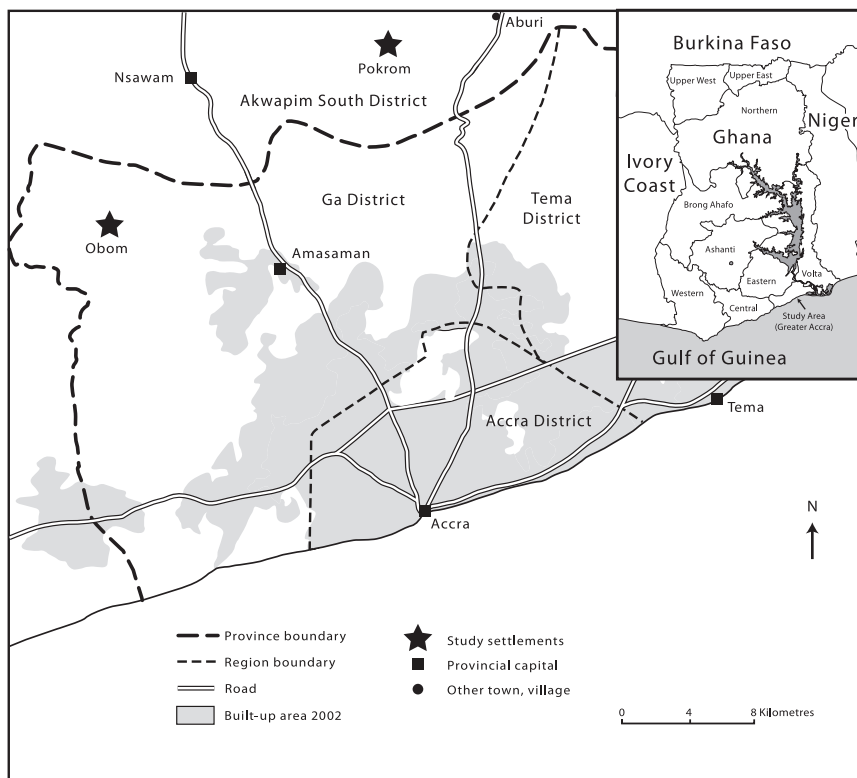


Figure 5.1 Map showing location of study settlements in the pineapple frontier.

pineapple-growing area (Pokrom Nsaba, hereafter referred to as Pokrom) and one in the newly expanding area further west (Obom) (see Figure 5.1). Pokrom is located in Akwapim South District in the Eastern Region, approximately halfway between the district capital towns of Nsawam and Aburi. The road to Nsawam has recently been paved and tro-tros (mini-buses) ply the route frequently. The inhabitants are predominantly from the indigenous land-owning Akan group (87 per cent) supplemented by Ewe migrants from the Volta region (Table 5.1). The 383 houses are mainly family-based compound houses built with concrete bricks and roofed with corrugated iron. According to the official Government of Ghana census, 2181 people lived in Pokrom in 2000. Obom is located in Ga West District in Greater Accra Region, equidistant from the district capital towns of Nsawam and Amasaman. Despite being located close to Accra, there is no electricity in Obom and all the roads leading there are poorly maintained dirt tracks. No tro-tros serve Obom but a number of shared taxis brave the roads. According to the 2000 census, the population of Obom is 1179 but only 18 per cent belong to the indigenous land-owning group Ga-Dangbe. The inhabitants are

*Table 5.1* Ethnic groups of the inhabitants of Pokrom and Obom (%)

<i>Ethnic group</i>	<i>Pokrom</i>	<i>Obom</i>
Akan	87	27
Ga-Dangbe	>1	18
Ewe	10	41
Northerners	1	12
Other	1	2

*Source:* Ghana Census Survey, 2000.

thus predominantly strangers (non-indigenous) with the largest group being Ewe followed by Akan and Northerners (Gurma, Mole-Dagbon and Grusi). They live in a total of 272 houses which are mainly small, sometimes compound houses with a predominance of mud walls and corrugated iron roofs, though a third still have thatched roofs (Illustration 5.2).

### *Pre-pineapples phase*

According to oral history, the settlement of Pokrom dates back to around 200 years ago when the indigenous Akwapim moved down from the hills to live by the new road which had been constructed along the valley bottom. In contrast, Obom was settled primarily by strangers who started migrating from the east and north of Ghana, about a hundred years ago, looking for land to cultivate. The original inhabitants of both Pokrom and Obom grew basic foodstuffs, mainly for subsistence though some surplus was sold. In Pokrom, some farmers turned to growing cocoa as a more lucrative income-generating activity. By the 1950s, however, swollen shoot disease had devastated cocoa production (Goldstein and Urry, 2006) and a number of the inhabitants migrated west to become tenant cocoa farmers in the new cocoa frontier (see Chapter 3). Growing food crops again became the major activity in Pokrom, with maize and cassava being especially important crops. Incomes were supplemented with remittances from family members who had migrated. Pokrom was thus a settlement of out-migration for many years with people migrating further west to work on the cocoa farms, into Accra to search for employment in the city, or venturing as far as Nigeria to try their luck abroad.

Strangers were allowed to settle and cultivate land in Obom without making any formal payment or receiving any papers as the land was not being used. Hence, many inhabitants have been living off the land for several generations. The opportunities for selling their produce rose dramatically when the main Accra–Takoradi railway line was built nearby in the 1950s. A number of residential quarters were constructed near the railway line for railway employees and the chief moved his palace to be close to the railway as this



*Illustration 5.2* The street running through the centre of Obom where most of the stores are located.

Photo by Katherine V. Gough

had become the centre of activity in the settlement. Obom played an important role as a small market town for over 40 years with goods and people travelling to and fro by rail. When the railway line was closed in the mid 1990s it was a serious blow for Obom. The once thriving market soon collapsed as the very poor condition of the roads meant that there was no alternative mode of transport to the settlement. As there were no longer any railway employees the houses had to be vacated, and now lie derelict. A number of the former railway employees, however, remained in Obom as they had settled there with their families. Their job opportunities were limited by the lack of electricity in the settlement which hampers many potential income-generating activities.

Another important influence on settlement growth in Obom was the arrival of the district health centre in 1974. The centre serves a wide area including more than 100 villages and its main role is to provide primary healthcare. It is hampered, however, by the lack of electricity which makes storing drugs very difficult. The 30 or so employees reside in the accommodation specifically built for them alongside the hospital. As well as these professionals, who are migrants, there has also been a stream of migrants from the north of Ghana. For generations they have travelled down from the north when there is no work on their own farms, to the south to work as labourers for smallholders



growing food crops for sale. Although most of them have been seasonal migrants, some have settled in Obom providing in turn a home for relatives and friends coming to work for short periods of time.

Summing up, prior to the boom in pineapple production, Pokrom was a settlement of primarily indigenous inhabitants some of whom had migrated out of the settlement to search for better livelihoods elsewhere. Obom on the other hand was primarily settled by migrants who were growing food crops and by employees of the railway and health clinic. They had already experienced a boom-and-bust period with the arrival and departure of the railway.

### ***Pineapple boom years***

Pineapples, of the Smooth Cayenne variety, started to be grown in Pokrom in the early 1980s and were sold on the local market. The number of pineapple farmers increased slowly at first but then accelerated in the late 1990s as demand for pineapples for export grew. Many of the farmers began to grow pineapples after the start of the new millennium. By 2006, 83 per cent of the households interviewed were engaged in pineapple farming in some way and it formed the main source of income for over half (56 per cent). Almost all (97 per cent) had a second source of income and for 22 per cent of these it was pineapple farming. This illustrates how central pineapple farming had become to livelihoods in Pokrom. The farmers were predominantly small-holders and mainly members of the indigenous landholding group; a third farmed less than one hectare, 60 per cent farmed 2 hectares or less, and only 11 per cent had farms which were larger than 20 hectares. Even the larger farms had started small; the largest farm of 210 hectares started in 1988 with just a tenth of a hectare and has gradually expanded over the years.

From the 1980s, and increasingly during the 1990s, some of the inhabitants of Pokrom started to become relatively wealthy from cultivating pineapples. Many households invested in improving their homes, replacing the mud walls with concrete blocks and adding extra rooms, thus expanding the size of the house. Some chose to rent out rooms to migrant workers who were needed to work on the pineapple farms, especially during weeding and harvesting. The population of Pokrom grew not only due to the influx of migrants but also as some members of the indigenous group returned to their hometown. Encouraged by stories of the amounts of money that could be made cultivating pineapples in Pokrom, they returned to start pineapple farms themselves. Pokrom thus became a settlement of in-migration during the 1990s and in the immediate years after the turn of the century.

During the 1990s, large-scale pineapple plantations began to be established to the west of the Akwapim Range where land was more widely available. As much of the land was being farmed by strangers who had no legal right to the land, the chiefs and elders were in a position to sell lucrative leaseholds for large areas of land. Often with the backing of foreign capital, including

German, French and Italian, these farms were planted with large areas of pineapples, initially with the Smooth Cayenne variety, later with MD2. For example, a farm on the outskirts of Obom had 1000 hectares of pineapple under cultivation resulting in an annual yield of 16,000–17,000 tonnes by 2007 and was planning to expand. Many of the workers employed on the farms came from the surrounding settlements, including Obom. Having gained skills and knowledge of pineapple farming, and encouraged by reports of the profits that smallholders were making in the Akwapim Range, some smallholders in Obom switched from growing food crops to investing in pineapples in the early years of the new millennium. Initially the smallholders made reasonable profits but there were many cases of farmers who entered the market just as the demand for pineapples fell and who subsequently lost considerable amounts of money. In 2006, 21 of the 75 households interviewed were still growing pineapples but a further 14 households had already stopped. Pineapple farming was recorded as being the most important source of income for only 15 per cent of households, with a further 6 per cent naming it as their most important secondary source of income. Crop farming was the most important source of income overall (for 35 per cent of households) with a further 24 per cent naming unskilled work, including casual work, as their most important income source.

As the account above shows, Obom was less reliant than Pokrom on pineapple farming as an income source, and livelihoods in Obom were more diverse. This is reflected in data for 2000 from the Ghana Census Survey, which records that 75 per cent of income earners in Pokrom were engaged in agriculture whereas the corresponding figure for Obom was 46 per cent. As Table 5.2 shows, the majority of workers in both settlements were working in the informal sector. The higher proportion of workers in the formal private sector in Obom reflects labourers employed on the pineapple farms.

### *Post-pineapple boom*

Pokrom is a changed settlement since Smooth Cayenne pineapples are no longer in demand on the export market. Whereas until 2005 the place was a hive of activity with people walking to their fields, working in the packing

*Table 5.2* Employment sector for workers in Pokrom and Obom (%)

<i>Employment sector</i>	<i>Pokrom</i>	<i>Obom</i>
Public	5	14
Private – formal	16	29
Private – informal	78	57
Sample size	979	460

*Source:* Ghana Census Survey, 2000.

house, and trucks laden with pineapples were constantly passing by, by 2007 the settlement had an empty feel. Many of the fields surrounding the settlement, which were once carefully tended pineapple plots, are now overgrown. Although Smooth Cayenne is no longer exported, it is still bought by pineapple processors, mainly small- and medium-scale companies producing juice for the local market, and local market women. The amount that can be earned is much less, with a market woman typically paying only half of what a processor will pay which in turn is half the amount that exporters used to pay. An important processor in the region is Blue Skies, a foreign-owned company that produces sliced fresh fruit for the EU market. It only buys, however, from farmers who have been trained in production practices according to EurepGAP<sup>2</sup> and can supply a minimum of 2000 pineapples weekly. Many of the farmers who were still growing pineapples by 2007 were from the larger farms which had a regular order from Blue Skies. The majority of the smallholders have not been able to afford the necessary inputs to continue farming pineapples or switch to another crop. For many, their capital is tied up in outstanding payments owed by exporters who had collected pineapples which they had never paid for, claiming that they had not themselves received payment. Many of the farmers could produce invoices of up to several million cedis<sup>3</sup> for pineapples which had been collected by exporters up to two years previously but for which they had not yet been paid. Switching to growing MD2 is not an option for smallholders because the investment needed in cooling and packing facilities is beyond their means, and because the price of seedlings<sup>4</sup> is so high.

The number of people living in Pokrom has fallen since the demand for the pineapples dropped. Most of the migrants have left as there is no more need for their labour, and some of the indigenous inhabitants have started to leave to look for work elsewhere, principally in Accra. The young people talked about feeling trapped in Pokrom without the financial capacity or contacts to move elsewhere to look for work; the mood in Pokrom was one of widespread despair. Obom has similarly become a settlement of out-migration. Many of the smallholders who have been growing foodcrops, but as strangers without any formal rights to the land they farm, have lost their land to the large-scale pineapple plantations. Not entitled to compensation, and with no land in the vicinity left for them to farm, they are moving elsewhere in search of new land. Some of those who remain in Obom have found employment as labourers on the large pineapple farms. However, they complain that the work is hard, the hours long and the pay low. Others are attempting to find new ways of earning an income in Obom but the lack of electricity restricts the establishment of most income-generating activities. The circular flow of migrants from the north, who worked for smallholders growing food crops, has virtually stopped as the number of these smallholders has dropped. The large pineapple companies are not interested in employing casual workers, who will only stay for a few months at a time, preferring instead to employ workers on a permanent basis. The smallholders who still have access to land,

predominantly the indigenous inhabitants, have found that, as in Pokrom, they can no longer sell their pineapples to exporters since the demand switched to MD2. Many are now switching back to growing foodcrops once again.

## **Conclusions**

This study of two settlements in the Ghanaian pineapple frontier has shown how the livelihoods of smallholders can be greatly affected by changes taking place at the global level. A thriving smallholder-based pineapple sector in Ghana was gradually eroded by competitive strategies of transnational companies with global activities in production, processing and export of tropical fruits. These global changes are, however, not the only forces operating, with local processes affecting the ways in which these global processes are worked out at the local level. As well as being affected by the changing fortunes of the pineapple trade, access to livelihoods in Pokrom and Obom is closely tied to the customary land tenure system. The differing accounts that emerge from the two settlements are directly linked to the inhabitants of Pokrom being predominantly indigenous whereas those in Obom are mainly 'strangers'. The former are smallholders who increasingly specialised in pineapple production until the demand for the Smooth Cayenne variety fell. Although the latter had farmed the land for generations, they had no right to the land and have lost their smallholdings since the land they had been cultivating was leased to large-scale pineapple farms. Some have become wage labourers on these farms.

In terms of settlement processes, Pokrom expanded during the boom years in the pineapple trade as indigenous people returned and migrants came looking for work, but has subsequently contracted with the young indigenes leaving to look for work elsewhere. Obom suffered a drop in population following the closure of the railway which effectively closed the market that had grown up around the station. The population has subsequently fallen as some of the 'strangers' who have lost their land have moved elsewhere and because fewer short-term migrants pass by since there is no longer a demand for casual labourers to help with foodcrops. Hence, it has been shown how both processes of settlement and livelihood opportunities in frontier regions can wax and wane with the changing demand for their products on the world market, but that the ways in which these are worked out in particular localities can vary widely.

## **Notes**

- 1 See Agbosu *et al.* (2007), Aryeetey *et al.* (2007a) and Aryeetey *et al.* (2007b) for a more detailed discussion of the land tenure system in Ghana.
- 2 EurepGAP is a set of quality standards developed by European supermarket chains and their suppliers to secure 'Good Agricultural Practices' in farm management. The comprehensive standards establish traceability and cover issues related to

environmental impact, animal welfare, use of chemical inputs, and worker health and safety. In September 2007, EurepGAP changed its name to GLOBALGAP, reflecting the expanding international role in establishing Good Agricultural Practices between multiple retailers and their suppliers on a global level. Detailed information is available at [www.globalgap.org](http://www.globalgap.org).

3 There were approximately 10,000 cedis to the dollar at the time.

4 Vegetative multiplication of pineapple in Ghana is usually based on suckers (i.e. shoots arising from the base of the plant at ground level) which are cheaper than seedlings. So far suckers are not produced in sufficient quantities to be available on the market.

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## 6 Transforming livelihoods and settlements

### Fruit production and urbanisation in Vietnam's Mekong Delta

*Hoang Xuan Thanh and Cecilia Tacoli*

#### Introduction

This chapter describes the multiple impacts of rapid urbanisation and industrialisation on three rural settlements in the area often described as Vietnam's rice bowl and where livelihoods and the nature of the local economic base, including farming, have changed radically in the past two decades. Rice no longer dominates crop production in the settlements; in fact, it has virtually disappeared, giving way to fruit orchards. Fruit is the key driver of the diversification of the economic base in the study settlements. This, in turn, is triggered by the rising demand from urban consumers as well as by the growth of industry and services in local urban centres. Employment in these sectors absorbs large numbers of increasingly mobile rural dwellers, especially but not only the younger generations, and contributes substantially to rural households' incomes and capacity to invest in fruit production. Within the settlements, the expansion of activities related to the fruit trade has opened up opportunities for wealthier and poorer groups alike, and contributes to local economic growth and poverty reduction, although with widening income inequality.

These transformations have not taken place in a vacuum, however, and in order to understand future opportunities and challenges it is important to consider the wider landscape beyond the local dimension. This includes national policies in relation to economic and infrastructural development strategies, as well as broader regional and international trade and investment patterns and agreements.

#### **The fruit sector in Vietnam: expanding domestic demand and unstable export markets**

Fruit production in Vietnam more than doubled between 1995 and 2005, from 3 million metric tons to over 6 million metric tons, much as the result of changes linked to the *doi moi* (innovation) reforms of the mid 1980s (MARD, 2005). The allocation of land use rights to households is widely acknowledged

to have played a key role in the reduction of poverty in Vietnam by increasing agricultural productivity and stimulating investment. It also has an important influence on farmers' decisions to switch to fruit trees that require significant investment and only become fully productive a few years after planting. Other supply-side factors that have stimulated the growth of fruit farming include the implementation of specific agricultural policies in support of fruit production, and the relaxation of land use regulations which previously made it difficult, if not illegal, to switch from rice to other crops without official permission (Vietnam Development Report, 2004). As a result, in 2005 over 750,000 hectares of farmland in Vietnam were planted with fruit trees, up from 360,000 hectares in 1995. The Mekong Delta concentrates 35 per cent of the total fruit tree area, and more than half of the total fruit production in Vietnam (GSO, 2004).

On the demand side, consumption of fruit in both rural and urban areas has doubled in the past decade, making it the key driver of the sector's fast growth. Per capita expenditure on fruit is higher in urban centres, especially in the larger cities, Hanoi and Ho Chi Minh City (HCMC). Nevertheless, in both rural and urban areas the consumption of high-value fruit, such as mango and citrus, has increased while that of banana, the cheapest fruit, has remained stable. Dietary transformations and changes in food expenditure patterns, in turn, are closely related to the generalised and rapid improvement of the living standards of Vietnamese households (VNLSS, 1993; VLSS, 1998; VHLSS, 2002, 2004).

In this context, exports appear to play a secondary role compared to internal demand in stimulating production, although with regional variations. Fruit exports have fluctuated widely in the past decade. After reaching a peak of 13 per cent in 2001, the share of fruit in the total agricultural export value of the country had fallen to just 4 per cent in 2004 (GSO, 2004). Until 2001, China was the main export market for Vietnamese fruit, but since its accession to the World Trade Organization (WTO) its share of the export value has fallen from 80 per cent to 40–50 per cent. At the same time, Vietnam has become an important market for fruit imports from China, the US and Thailand. The accession of Vietnam to the WTO in 2007 is likely to increase this further as from 2010 import tariffs will be reduced from the current 40 per cent for all fruit to specific tariffs for different fruit. Growing integration in international markets is therefore important but, at least so far, domestic demand has proved to be more substantial and especially more stable.

In the Mekong Delta, the change in land use from paddy to fruit gardens has occurred faster than in the rest of the country. The share of rural households' productive land used for growing fruit has increased from 12 per cent in 1993 to over 32 per cent in 2004, compared to the national average of just under 8 per cent and over 13 per cent for the same years. Fruit producers in the Mekong Delta also have larger orchards than the national average, with 39 per cent using more than 1000 m<sup>2</sup> (an increase from 25 per cent in 1993) compared to 15 per cent nationally (from 10 per cent in 1993). The trend



towards land concentration, the result of an emerging land market, goes hand in hand with increasing landlessness (from 17 per cent in 1993 to 29 per cent in 2002) which in turn is closely linked to poverty in the region (VNLSS, 1993; VLSS, 1998; VHLSS, 2002, 2004). However, it should be noted that this correlation between poverty and landlessness does not necessarily apply to other regions of Vietnam. In the Red River Delta, for example, landlessness appears to be higher among rural households in the richer expenditure quintile, possibly reflecting the fact that the rural non-farm sector is more developed there (Hoang *et al.*, 2005).

Due to market fluctuations and increases in non-agricultural employment, the share of revenue from fruit in Vietnam's rural household incomes remained unchanged between 1993 and 2004, with an average of 2.5 per cent, although it was slightly higher in the Mekong Delta, on average just over 4 per cent. Nevertheless, during the same period, poverty has declined faster among fruit-growing rural households than among those not growing fruit in the region, although this is not the case for the whole of the country (VNLSS, 1993; VLSS, 1998; VHLSS, 2002, 2004).

The findings from this case study suggest that changes in farming production systems – in this instance, from rice to high value-added and less labour-intensive fruit farming – are best understood as a component of fundamental transformations in the livelihoods of rural households and in the economic base of the settlements where they live. Key to these transformations is the diversification of income sources and economic activities which, in turn, builds on stronger links between rural areas and urban centres. The three study settlements also suggest that there are many different ways in which these transformative processes take place, depending on a wide range of factors – geographical, social, economic and ecological. Hence, while one settlement is rapidly growing into a dynamic small market town, another one retains its agricultural vocation but is supplemented by significant migrant remittances, while the third is affected by its proximity to one of the fastest-expanding cities in the delta.

### **The study locations**

In order to explore the impacts of urbanisation and industrialisation on high value-added fruit production systems and, as a result, on rural settlements and livelihoods, we used the following selection criteria for our study locations: the established production at the settlement level of speciality fruit (likely to have better marketing opportunities); access to both export and domestic markets (providing us with the opportunity to investigate value chains); and proximity to growing urban centres (likely to have an impact on employment and mobility patterns).

The three settlements in which this study was conducted are located in two of the major fruit-producing provinces in the Mekong Delta. Fruit-growing areas in Tien Giang and Vinh Long provinces have increased by 30 per cent



*Illustration 6.1* The Mekong Delta's extensive waterways system links orchards to market nodes, from where produce is shipped to domestic and international markets.

Photo by Niels Fold

and 55 per cent respectively since 2000–2001. Tien Giang Province is well known for its production of speciality mango and milk fruit, while Vinh Long is a major producer of speciality pomelo fruit. Both provinces are strategically located and well connected to road, river and transport networks (Illustration 6.1). Tien Giang province stretches 120 km in length along the Tien River. My Tho city, the provincial centre, is only 60 km south of HCMC. Vinh Long Province is located in the centre of the Mekong Delta, between the Tien and Hau branches of the Mekong River. It is 135 km south of HCMC and adjacent to Can Tho, the main city in the southern part of the delta. With the construction of the My Thuan bridge across the Tien River and the rehabilitation of Highway No.1A, road transportation has much

improved. All the communes of the two provinces are connected to the national electricity grid and have paved roads.

Population density is the highest in the delta, and while the level of urbanisation is increasing, at 15 per cent it is still much lower than the national average of just below 28 per cent at the last census in 1999 (CCSC, 2000). Both provinces are undergoing processes of economic transformation but are still predominantly agricultural, as shown in Table 6.1. In 2005, the total agricultural export values of Tien Giang and Vinh Long provinces were US\$72 million and US\$133 million respectively. In the same year, official income poverty rates were 23 per cent in Tien Giang and 13 per cent in Vinh Long (Tien Giang Province, 2005; Vinh Long Province, 2005).

*Table 6.1* The two study provinces: essential information

	<i>Vinh Thoi</i> ( <i>milk fruit</i> )	<i>Hoa (mango)</i>	<i>My Thoi 1</i> ( <i>pomelo</i> )
Agriculture (own farm)	19	62	46
Trade and services (own business)	68	18	27
Wage labour (skilled and unskilled)	10	17	22
Civil servants, pension, social welfare	2	2	2
Others	1	1	2
Sample size	100	100	100

*Source:* 2005 Statistical Yearbooks, Tien Giang and Vinh Long Provinces.

### **The three study settlements<sup>1</sup>**

#### ***Vinh Thoi (Tien Giang province)***

Vinh Thoi is the largest of the six settlements of Vinh Kim commune, which is the smallest administrative unit in rural Vietnam. It is at the commune level that data are collected and services provided. We start therefore by describing the commune as the backdrop to the study settlement. Vinh Kim commune is 10 km from My Tho city, and has a total population of 11,000. Population growth in the commune is a combination of natural increase (1.5 per cent per year) and in-migration (1 per cent per year). Vinh Kim is one of seven communes in the district growing the speciality Lo Ren milk fruit. Limited land availability due to high population density and the decay of old and stunted milk fruit trees have, however, contributed to a decline of farming in favour of trade and services.

A market node for three surrounding districts, with good road and canal links to HCMC and other provinces, Vinh Kim has a long-standing central market and a newly built fruit market, around 150 fruit traders (*vua trai cay*) and 6 specialised fruit packaging suppliers, all of which employ several permanent and seasonal workers. In addition, there are hundreds of associated small service providers (*tap hoa*), a pool of 300 porters (*boc vac*), several motorbike taxis (*xe om*) and parking attendants (*giu xe*). On average, each

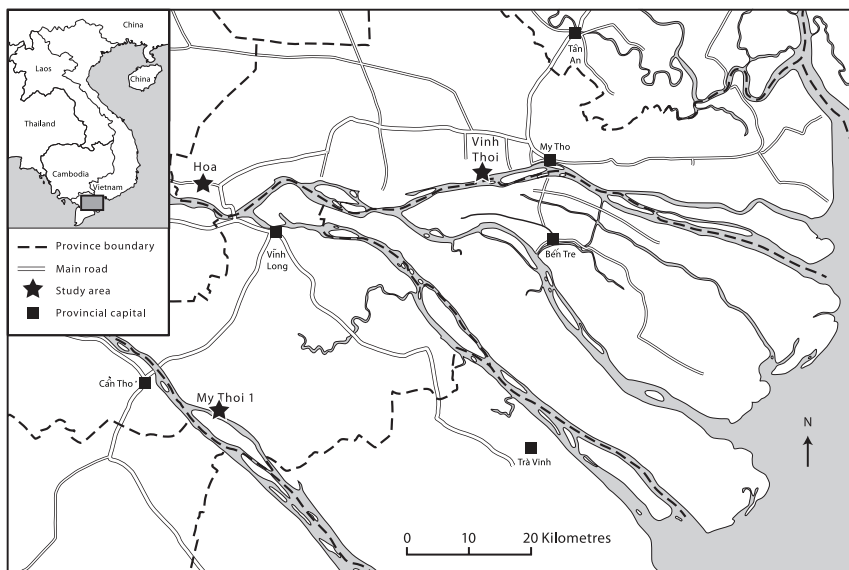


Figure 6.1 Map showing location of study settlements in the Mekong River Delta.

day 30–40 trucks bring fruit from the commune markets to HCMC and other provinces. A four buses per day service connects the commune centre to My Tho city. In short, Vinh Kim can be described as a dynamic ‘urbanising’ commune with a diversified economic base, whose residents’ lifestyles, with widespread use of mobile phones, cooking gas and bottled water, are more ‘urban’ than typically rural. Environmental issues, especially the disposal of the growing commercial and domestic waste, are an increasing concern.

Vinh Thoi is a densely built settlement at the physical and economic centre of the commune, adjacent to the two markets. It has 334 households with a total population of 1766 people, plus 15 in-migrant households that do not yet have permanent residential status.<sup>2</sup> Since 2000, all rice fields in the village have been converted into orchards. Trade and services linked to fruit production are the main source of income for the residents, in combination with fruit farming and husbandry. Although there are many opportunities within the commune for employment in petty trade and services, these attract in-migrants while young people prefer to migrate to HCMC and the industrial zones in the delta. To poor people who do not have the resources to migrate, the market offers income-earning opportunities such as small services, portering and fruit grading and packaging.

### *Hoa (Tien Giang province)*

Hoa settlement is part of Hoa Hung commune. The commune’s location along Highway No. 1A, right on the My Thuan bridgehead, makes it one of

the main fruit market nodes in the Mekong Delta. In 2005, the commune had a permanent population of 16,139 people. Hoa Hung is the homeland of the speciality Hoa Loc mango variety, and since 1996, all rice fields have been converted into orchards. In 2001, the My Thuan bridge replaced the ferry crossing of the Tien River. The increased traffic stimulated the expansion of services for both residents and visitors, such as cafés, food stalls and grocery shops supplying gas bottles and bottled water. This, in turn, contributed to the transformation of local habits: for example, it is estimated that around 60 per cent of households in the commune now use gas cookers.

Hoa, a large settlement with 2600 residents, is well known for the production of Hoa Loc mango, which is the main local income source and fetches high prices. The village is well connected by river transport to the market node of An Huu, just 3 km away. A Hoa Loc mango producer cooperative with 63 members was established in 2003. While Hoa can be described as an essentially agricultural settlement, employment diversification is important for local livelihoods, although less so than in Vinh Thoi. An estimated 50 households engage in petty trade and services, 20 provide private transport services and more than 100 households have at least one member working away from the settlement, mostly in the cities. Seasonal immigrants, typically around 30–40 people, come to the village for agricultural labour in the orchards.

### ***My Thoi 1 (Vinh Long province)***

My Thoi 1 settlement is part of My Hoa commune, which is located 7 km from Cai Von district town and across the river from Can Tho city. The commune has a population of 16,962. In 2004, a bridge was built to link the commune with Cai Von district town by road. Before that, goods transportation was mainly by boat. There is no commune market, and people often go to Cai Von district town or to Can Tho city to buy their necessities.

My Hoa is famous for its Nam Roi pomelo, which is grown in almost all garden land in the commune. However, due to the excessive expansion of pomelo production, both in the province and the delta, prices have gone down in the past few years. Moreover, the pomelo orchards area in the commune is likely to be much reduced due to urbanisation and industrialisation. The planned construction of the Can Tho bridge, the Binh Minh river port, the Binh Minh industrial zone and a 'green tourist centre' will claim several hundred hectares of farmland. This has already started: in 2002, 162 hectares of orchards were cleared for the first phase of the Binh Minh industrial zone construction.

My Thoi 1 has 1396 registered residents. It has fertile land and a stable fresh water supply. Since 2003, a surrounding dike has much reduced the risk of flooding and improved irrigation. Due to its location within the commune, My Thoi 1 will not be directly affected by the planned construction of the bridge, port and industrial zone, at least in the immediate future. However, although the settlement's land has not been claimed for infrastructure

construction, it is likely that the proximity of industrial activities will somehow affect farming, and measures to control and reduce air and water pollution will need to take into account their impact on peri-urban areas and settlements such as My Thoi 1.

The conversion from paddy fields to Nam Roi pomelo orchards in My Thoi 1 started in the early 1990s and was completed by 2001. Currently, the main income sources of the villagers are a combination of fruit production, husbandry, small trade, services and out-migration to Can Tho and HCMC. One third of households in My Thoi 1 have at least one member working in trade or service jobs. One third also have at least one migrant member, either seasonal or permanent.

### **From fruit production to income diversification: increasing wealth, widening inequality**

In all three settlements, the majority of residents have radically transformed the nature of their farming activities and, in most cases, the mix of income sources that support their livelihoods. Although some fruit production has long been part of farming in the area, the more drastic switch from rice cultivation in the settlements started in the 1990s.

These changes in land use have affected husbandry, making it much less important than in the past. Oxen and buffaloes, which were essential for ploughing paddy fields, have all but disappeared and only a minority of households raise pigs. The switch from rice to fruit has also created new opportunities in trade and services. In part, this is because fruit production is less labour-intensive than rice farming and, therefore, allows farmers to engage in additional non-farm activities. The second reason is that fruit is a perishable commodity with high value-added that requires a number of services such as grading, packaging and daily transport to markets, all activities which are not necessary with dry, bulk commodities such as rice. At the lower end – that of unskilled and semi-skilled wage labour – these activities provide employment to poor local residents and seasonal migrants from the surrounding areas. At the same time, the concentration of people and activities around market nodes creates demand for services such as cafés and restaurants, hairdressers, small shops, and transport.

As the economic base of the settlements becomes more diversified, the proportion of household incomes derived from non-farm activities increases. In Vinh Thoi, the most 'urbanised' of the three study settlements, trade and services account for over two-thirds of the survey respondents' household incomes, against less than one fifth from agriculture. The income share of trade and services is lower in both Hoa and My Thoi 1 (see Table 6.2), but in all three settlements, including Vinh Thoi, respondents still perceive themselves primarily as farmers, perhaps reflecting the speed in the transformation of their livelihoods. Overall, this change has been positive: living conditions in the settlements have greatly improved in the past decade. Basic indicators

*Table 6.2* Structure of respondents' average household incomes in 2005 (%)

		<i>Tien Giang</i>	<i>Vinh Long</i>
Natural land area (km <sup>2</sup> )		2482	1478
Agricultural land		74	79
Population density (person/km <sup>2</sup> )		685	714
Urban population		15	15
Economic structure (2005):	Agriculture	48	53
	Industry and transports	22	16
	Services	30	31

*Source:* Authors' household survey, 2006. Figures represent the average income composition in each settlement and reflect their economic base.

of assets, housing and facilities are much better than the average for the Mekong Delta rural region, which includes more remote areas and settlements that produce primarily paddy. For example, more than half of the respondents live in houses with permanent walls and roof, compared to an average of 8 per cent for the Mekong Delta rural region (VHLSS, 2004).

At the same time, however, income inequality has widened, against a national average ratio of highest to poorest quintiles of just over 8; in the study settlements it ranges from 20.5 in Vinh Thoi, the most 'urban' of the three, to 13 in My Thoi 1 and 9 in Hoa. Households that rely exclusively on agriculture are more likely to be in the poor and lower middle-income groups, although access to land, labour availability and household composition are equally important factors. Young families with small children may find it difficult to diversify their income sources and occupations, unlike households with lower dependency ratios. While in Vinh Thoi land is relatively scarce and the wealthier groups are those whose income is derived mainly from trade and services, in My Thoi 1 the wealthier households have larger farms and their income is mainly from fruit production.

Income diversification into non-farm activities directly impacts on farming. Investment in fruit trees involves risk as trees can take several years to mature and become fully productive, and in the meanwhile market prices may drop. A common strategy is to convert land gradually, intercropping immature trees with shorter-term crops. However, non-farm sources can also provide income stability and encourage risk-taking. An example of this is the GAP (good agricultural practice) production systems, which impose strict limitations on pesticide and fertiliser use and can be costly compared to usual systems, but provide benefits in the long term by reducing plant stress and ensuring access to more strictly regulated (and often better paying) markets.<sup>3</sup> The adoption by farmers of elements of the GAP techniques is still limited in the settlements to better-off farmers who can afford this long-term investment and can hire labour for the additional work it requires.

### **Expanding livelihoods' spatial boundaries: migration, mobility and remittances**

Income diversification in the study areas involves significant levels of mobility. It certainly helps that all three settlements are located in close proximity and within easy access of rapidly growing urban centres such as Can Tho city and metropolitan regions (HCMC) where Vietnam's booming manufacturing, services and construction are concentrated, offering substantial employment opportunities especially to young people.

About half of the survey respondents' households have at least one member who migrates, temporarily or over long periods of time. The overwhelming majority of these migrants started moving after 1998 when the transformation of paddy fields into orchards began in earnest. Clearly, the less labour-intensive fruit played a key part in increasing mobility in the area; nevertheless, other important factors should not be overlooked. First is the vertiginous growth of manufacturing, services and construction in Vietnam, much of it concentrated in the south-eastern region around HCMC. Second is the dramatic improvement in transport and communications infrastructure, including the widespread availability of mobile phones that make access to information on job opportunities in distant locations so much easier. Last but not least, the educational qualifications of younger generations have much improved, raising both their skills levels and, perhaps more crucially, their expectations as workers. As in many other parts of the world, farming is less and less attractive to young people who see manufacturing as a relatively more secure job and as an opportunity to see the world beyond the village boundaries. Indeed, over 70 per cent of migrants in respondents' households are young and single, with no major differences in the proportion of men and women. Demand for women workers has expanded substantially in the past decade and concentrates in the manufacturing sector, especially in export industries, and in domestic service, the latter triggered by the growth of a wealthy urban middle class.

Table 6.3 shows these trends amongst migrants engaged in long-term mobility (over three months, with an average of over two years for first-time movers). The increase in the number of movements in the period 2001–2005 is clearly related to the expansion of manufacturing and the demand for domestic and service workers in urban centres. Between them, HCMC and provincial towns attract over 80 per cent of first-time migrants and all third-time migrants. And while income-generating activities rank first as the purpose of migration, a remarkable one quarter of first-time migrants move for educational reasons (see Table 6.3). Education is an important investment in all three settlements, and indeed around 40 per cent of respondent households that receive remittances use them to fund their children's schooling.

An emerging trend among young women from poor households is marriage to foreign men, often in Korea and Taiwan. This pattern has increased since 1999–2000. About 60 women from My Hoa commune have married



Table 6.3 Long-term mobility

		<i>First trip</i> (%)	<i>Second trip</i> (%)	<i>Third trip</i> (%)
Year of moving/ migrating	From 1978 to 1990	1	2	–
	From 1991 to 1995	1	2	–
	From 1996 to 2000	20	3	–
	From 2001 to 2005	78	94	100
Destinations	Other village, same commune	2	2	–
	Other commune, same district	3	2	–
	Other district, same province	8	5	–
	HCMC	55	56	75
	Other province, urban	25	37	25
	Other province, rural	6	–	–
	Abroad	2	–	–
Purpose of migrating	For business/work	65	83	79
	For market exploration	1	–	–
	Funeral, wedding, feasts	1	–	–
	For studying	25	13	21
	Other	7	3	–
Average length of stay (months)		24	20	11
Total		233	63	24

*Source:* Authors' household survey, 2006

Taiwanese men, and a similar number of women from Hoa Hung commune have married Taiwanese and Korean men. In Hoa settlement, at the time of the fieldwork, ten women were preparing to marry Taiwanese, American and Canadian men (often of Vietnamese origin). In Vinh Kim commune, about ten households were marrying off their daughters to foreigners to whom they had been introduced by local matchmakers or by friends.<sup>4</sup>

Compared to women, men appear to have a wider range of employment opportunities, including construction, trade and factory work, and as a result their movement encompasses a wider geographical area – from neighbouring communes to overseas destinations – and a variety of forms – from daily commuting to semi-permanent migration. Household wealth does make a difference among both men and women, however, with poorer migrants more likely to work as seasonal wage labourers in agriculture or construction. Reliance on friends and relatives to provide access to jobs probably reinforces these differences.

All migrants in the respondent households send remittances to their relatives at home, regardless of household income level, and, in many cases,

their contribution is a substantial proportion of household income, often as high as, if not higher than, local earnings. Women migrants are more likely than men to send money regularly to their relatives (82 per cent against 76 per cent), reflecting what seems to be a universal trend. In relative terms, remittances are much more important for the poorest groups, where they can be as much as 3–4 times the local earnings. As may be expected, remittances are a lower proportion of the incomes of the wealthier groups. In absolute terms, however, they can be much higher, especially when the migrants are skilled and have well-paid jobs. Considering the wide fluctuations in fruit prices in the past few years, it is clear that remittances have a key role in offsetting the financial risk of relying solely on farming. They have also provided an important source of capital for the respondent households, and about one third of recipients, mostly in the wealthier groups, invest this money in fruit farming.

While migration and remittances are an important dimension of household income diversification and, in many cases, asset accumulation, they overlap with growing flows of in-migrants to the three settlements. Leaders in Vinh Kim commune estimate that 15–20 of the 100 larger fruit traders in the urbanising settlement of Vinh Thoi come from elsewhere, mostly from HCMC and Da Nang city. In Hoa, 30–40 seasonal in-migrants from the rice-farming delta communes arrive during the slack rice season between November and February to work as labourers in the orchards, as young local men have either migrated or moved to non-farm jobs. Sixty respondent households in Hoa, 43 in Vinh Thoi and 39 in My Thoi 1 hire outside labourers regularly or occasionally, a significant change in traditional family farming.

### **From village to small market town: traders and rural development**

Many small towns grow out of a close relationship with a surrounding rural area specialising in high value-added agricultural products. All three settlements, but perhaps especially Vinh Thoi, are a good example of this, and highlight the important role of local traders in this process of *in situ* urbanisation and rural development.

Private traders dominate fruit marketing in the three settlements. Some of them are long established in the business, with good market information and extensive networks throughout the country. The larger traders (*vua*) located in Vinh Thoi offer the best prices, while mobile traders collect fruit at the farm gate and either bring it to the *vua* or send it to urban markets. This network benefits small-scale producers and those with limited labour and/or time, and in many cases is essential to connect them to markets, since large trading companies are not usually interested in reaching small, scattered farms. Moreover, *vua* do not specialise in just one kind of fruit but are able to match a diverse supply with different demand. They are also able to match specific supply, especially with regard to quality, to specific market segments:

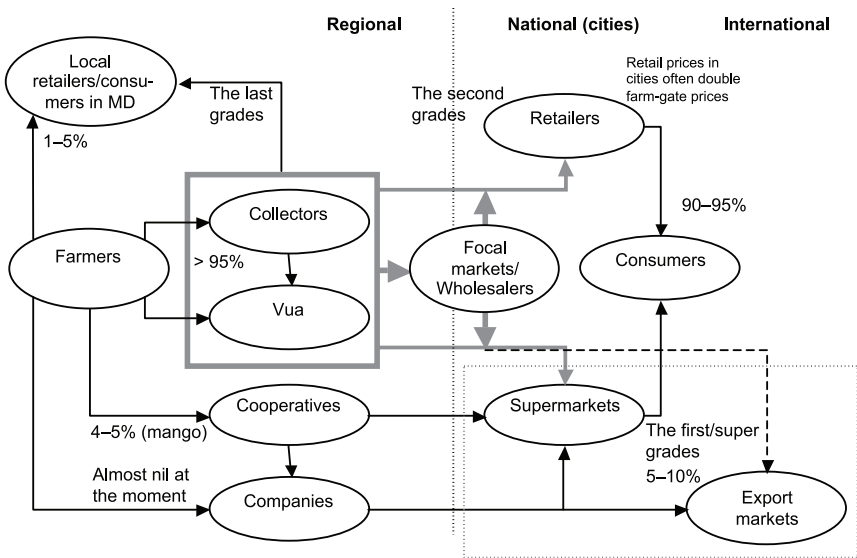


Figure 6.2 Typical market chains of Lo Ren milk fruit, Hoa Loc mango and Nam Roi pomelo.

best-grade fruit goes to supermarkets and is exported, the second grade is sent to urban retailers and the lowest grade is sold in local wet markets (see Figure 6.2).

While some farmers, especially those producing the higher-value milk fruit, prefer to grade their fruit themselves and thus get better prices, grading and packaging are the main value-adding activities for traders, and also those that create much local non-farm employment. Other activities are also directly related to the fruit trade, for example the transport of fruit to regional and national destinations, and the production and supply of packaging materials. The fruit markets themselves provide employment such as portering, guarding vehicles, and driving motorbike taxis in and around markets (Illustration 6.2). Other services, such as hairdressing and cafés along the main roads and small grocery shops, cater to both market visitors and local residents. In the case of the latter, they reflect an increasingly 'urban', cash-based and less subsistence-based lifestyle, while at the same time providing additional non-farm incomes to different groups, including in-migrants from the surrounding rural areas. Possibly because of the available opportunities within the settlement, the thriving village of Vinh Thoi has limited out-migration, mainly by young people who may have socio-cultural and not only economic reasons for wanting to move. At the same time, the expansion in trade and services in the settlement is closely interrelated with growing demand from farmers from the surrounding rural area, which in turn reflects their growing incomes.



*Illustration 6.2* Agricultural markets drive the transformation of market nodes in the Mekong Delta from large villages to centres with more urban features.

Photo by Niels Fold

## **Conclusions**

There are three major ways in which urbanisation affects rural development in the three study settlements. The first is through the increase in demand from urban consumers for high-value farm produce, in this case fresh fruit. The second is the expansion of the industrial and services sectors, mostly urban-based, which have enabled settlement residents to diversify their income sources, in the process decreasing their dependency on widely fluctuating agricultural markets and investing in higher-revenue crops. In both these cases, there is still a relatively clear distinction between what is ‘urban’ and what is ‘rural’, both in terms of space and in terms of economic activities.

But perhaps more interesting is the fact that the extremely dynamic trajectories of these settlements suggest that, over time and certainly with great differences between each settlement, there is an underlying process whereby the distinction between ‘rural’ and ‘urban’ becomes blurred. As the complementary links between different sectors (agriculture, trade and services) grow stronger, they also start to take place within the same space. Under the stimulus of trade in local crops, other non-farm, typically ‘urban’ activities develop and the local economic base becomes increasingly

diversified. Migration does not stop but becomes ever more complex including substantial immigration to the settlements, while remittances continue to feed into the local economy. *In situ* urbanisation – the third way in which urbanisation affects rural development – in turn has an overall positive impact on its surrounding rural region.

The three study settlements, however, are also affected by what happens in the wider landscape, at the regional, national and global levels. Within the Mekong Delta region, urban expansion may increase competition over natural resources, especially for these settlements such as My Thoi 1 which, for the time being, are strategically located in proximity to urban centres. This may in the future turn out to expose them to air and water pollution, competition over land, and disputes over urban waste disposal. Indeed, as *in situ* urbanisation progresses, these same issues will need to be addressed within the settlements by local authorities with increased capacity and competence. At the national and global levels, a growing emphasis on large-scale commercial farming and the steady advance of supermarkets in low- and middle-income nations may result in the centralisation of processing operations which would result in the marginalisation of small market towns. At the same time, increasing competition and stricter regulations under WTO rule may effectively push many farmers out of business.

This chapter has described how diversification – of livelihoods and of local economic bases – is a key element of rural development, and is closely linked to urbanisation. There are, of course, downsides to the processes documented here: income inequalities often increase, and natural resources often come under pressure. Overall, however, the complementary links between rural and urban development offer a wider range of opportunities that benefit most groups. There is no doubt that these are also transitional stages within the context of the very fast-paced process of transformation taking place in Vietnam. What will be the outcome for future generations will depend very much on how these transitions are managed at the local, national and global levels.

## Notes

- 1 Data in this section are derived from interviews with the leaders and key informants of the study communes and settlements in February 2006.
- 2 Vietnam still has a household registration system, the *ho khau*, which until reform in the mid 1980s was used to control rural–urban migration. Today it no longer affects every aspect of people’s lives and the restrictions associated with the lack of residential status are rarely implemented; however, the system has not officially been abolished (Dang *et al.*, 2003).
- 3 The full GAP certification is very expensive and would only be interesting for export-oriented production.
- 4 Information gathered from interviews with leaders and key informants in the study communes and settlements.

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# 7 Agricultural frontier settlements

## Markets, livelihood diversification and small town development

*Niels Fold and Cecilia Tacoli*

### Introduction

It is often claimed that small and intermediate urban centres are growing faster than large cities. While it is true that the average annual population growth rates of small towns and secondary cities are higher than those of large cities, many of them stagnate or even lose population. These large variations masked by aggregate statistics are directly linked to the huge diversity of small towns, and to the importance of local factors in driving urban change in different countries and regions (Satterthwaite and Tacoli, 2003). The settlements described in the chapters in this section rely primarily on agricultural production, as is often the case for small towns and large villages in low- and middle-income countries where agriculture is an important component of GDP. A key difference between dynamic growing settlements and settlements that appear to be declining in both economic and demographic terms is the relative diversity of the economic base. This, in turn, is closely linked to the nature of the crops produced in the settlement's surrounding area and the opportunities these provide to generate added value through local processing. Thus the nature of agricultural production, the value chains dynamics it creates, and the local ability to capture some of this value and generate non-farm employment all contribute to the settlements' trajectories.

This chapter explores these issues through the discussion of a number of interlinking themes. We start with an overview of the organisation of the flow of agricultural products, with special attention to how the nature of the crops and the operation of the value chains impact on the economic dynamics of the settlements. We then examine the economic base of the settlements, exploring how forward and backward linkages with the production of the main crops relate to processes of local economic diversification that include farm and non-farm activities. Finally, we describe how changing livelihood opportunities in the settlements increasingly involve some form of mobility and in many cases result in growing social differentiation and inequality.

## **Agricultural markets: framing local socio-economic and spatial trajectories**

The agricultural frontiers described in the chapters in this section can be assigned to one of two broad categories. The first is a ‘traditional’ frontier where virgin land is still being cleared (although at a more reduced pace than in the past) to grow perennial crops: cocoa in Ghana and coffee in Vietnam. These frontiers are characterised by fluctuations in world market prices that tend to follow multi-annual cycles driven by demand and supply imbalances. The second frontier is found in well-established agricultural areas where new crops and cultivation practices increasingly dominate smallholder farming. An example is the recent widespread growth of production of fresh fruit and vegetables, mostly for markets in the Global North but also for expanding domestic urban markets. Production may also fluctuate (in this case usually on a seasonal basis) but new forms of contractual relations between smallholders and buyers create different dynamics compared to the spot market transactions that take place in most traditional frontiers.

The agricultural frontiers in Ghana and Vietnam have been largely driven by market dynamics dominated by leading agro-industrial transnational companies (TNCs) operating in most producing countries in the Global South and consuming countries in Global North. As a backdrop to the case studies, this section maps out the dynamics of global markets for the two main categories of crops in the frontiers (coffee/cocoa and fresh fruit). It then examines the role of domestic markets and the factors underlying efforts to localise processing activities.

Both coffee and cocoa have been exported in substantial volumes to markets in the Global North for more than a century. Current key drivers in this category of value chains are international traders, primary processors and branded manufacturers. In the global value chain for coffee, the leading TNCs are vertically integrated and include both primary processing (roasting) and branding of coffee products while international trading companies dominate storage and purchasing operations in producer countries (Ponte, 2002). In the global value chain for cocoa, however, there is only limited functional space for international trading companies. Most global purchase operations are handled by primary processing TNCs (grinders) who buy cocoa at origin and produce a highly diversified range of intermediary products that are sold to transnational branded chocolate manufacturers located in the Global North (Fold, 2002). Both coffee and chocolate – the main end-product of cocoa – are primarily sold to private consumers by supermarket chains in the Global North despite a trend towards small retailer sales of low-volume (but high-value) niche products such as organic or ‘fair trade’ coffee or chocolate.

The market dynamics for the second category of frontier are shaped by more recent trends in food consumption, namely the increasing demand for fresh fruit and vegetables. At the global level the key drivers are large retailers



(supermarket chains) mostly located in the Global North but increasingly also present in producer countries in the South (Humphrey, 2006). Supermarkets have taken over the lion's share of distribution and sales in the Global North and typically have their own sourcing departments. Alternatively, they use specialised importers that are linked to growers/exporters in producing countries in the Global South. Usually these growers/exporters operate outgrower schemes supplemented by local independent smallholders in order to secure a flexible supply capacity to cater for fluctuating demand. Smallholders may also be organised in producer groups that grow sufficient volumes for exports and are linked – directly or via intermediaries – to Northern markets. In addition, smallholder produce may be purchased by small-scale traders and shipped by local exporters and sold on a consignment basis in traditional wholesale markets in the Global North; this is, however, a highly insecure link to export markets with very unpredictable revenues.

Whereas domestic demand for cocoa (i.e. chocolate) and coffee is very modest in the Global South (except in a few countries), fresh fruit and vegetables are an important and growing part of daily diets. Hence, export and domestic markets compete for supplies. Quality products are directed towards markets offering the highest prices if the necessary infrastructure and logistics exist. In the case of fresh fruit for export, this includes grading and packaging facilities, cooling systems, and means of transportation and shipping (Friedland, 1994).

New standards for fresh fruit in the Global North including product requirements (shape, size, colour, etc.) and process requirements (cultivation methods, labour conditions and environmental impact) set up barriers for exports by smallholders (Dolan and Humphrey, 2004). Compliance with these standards is premised on sufficient competence – technological, financial, organisational, etc. It is much easier for corporate capital in agricultural production to accommodate the standards' requirements and remain in, or enter the value chain. Smallholder groups need assistance from intermediaries such as local private traders, state institutions or civil society organisations (e.g. local and international NGOs) to set up the required reporting, monitoring and sanctioning procedures. However, smallholders and local traders may deliberately abstain from engaging with export markets if prices are too low, risks too high or demand too volatile. An example is that of the fresh fruit producers and traders in Vietnam's Mekong Delta described in Chapter 6.

Standards are also becoming more stringent in the global value chains for traditional crops although they are not as comprehensive and widespread as in the fresh fruit and vegetable case. Industrial processors – whether coffee roasters or cocoa grinders – have developed technologies to compensate partly for quality differences at origin. Certain intrinsic quality parameters – for instance caused by particular varieties or agro-environmental conditions – are impossible to de-localise but others can be reduced or almost removed (Fold and Ponte, 2008). In essence, these innovations reduce differences

caused by country-wise variations in cultivation, harvesting and post-harvest handling practices. For instance, a changed sequence in the grinding process removes the adverse effects of insufficiently dried and fermented cocoa beans and new technology in coffee roasting removes the excessively bitter flavours in some 'Robusta' coffee beans (e.g. those coming from Vietnam). However, quality still varies between different countries of origin and is reflected in price differentials in the global commodity markets.

At the same time, these trends reinforce the global dichotomy between raw material production in the Global South and processing in the Global North, since they require huge investments in fixed capital equipment. Blending of coffee or cocoa of different origins is essential for brands that need a stable taste and flavour, and therefore it makes sense to control and carry out these processes near the final market (Gibbon, 2001). Substantial grinding of cocoa takes place in the Global South, but the processing technology is relatively simple and the purpose is primarily to obtain a purified product before shipping – and to exploit the generous tax incentives to processing industries offered by host governments. As for coffee, only dried ('green'), cleaned, sorted and polished beans are shipped since roasted coffee beans are heavily exposed to quality deterioration during transport.

Despite these structural constraints, local organisational capacity is clearly improving in the coffee and cocoa chains where local trading companies increase the consistency of their operations and gradually strengthen their reputation as stable suppliers. In the Vietnamese coffee chain, a growing number of local trading companies have expanded into value-adding activities such as cleaning, grading, packaging and shipping, gradually conquering more functional space from international trading companies. In contrast, exports and quality control of Ghana cocoa are completely regulated by the state, which has guaranteed a steady supply of high-quality cocoa to the world market. In both chains, social differentiation leading to land accumulation and dispossession seems to be kept under a degree of control by state regulatory mechanisms. In Vietnam, formal restraints on the size of individual land ownership are an effective barrier. In Ghana, the pan-seasonal and pan-territorial purchasing price, in addition to a state-controlled company that functions as a 'buyer of last resort', secures a stable market for all smallholders, including geographically and economically marginalised groups. Hence, traditional migratory flows of labour from the north of Ghana to the cocoa regions in the south continue to follow the existing seasonal pattern that adapts labour supply to the main periods of demand for labour on the cocoa farms, i.e. the main harvest period from October to February.

As for the fruit chain, the picture is somewhat different. In the Ghana pineapple frontier, production is primarily for export and TNCs have near total control of the backward and forward linkages for the new pineapple varieties that now dominate global markets. Smallholders that do not have the capital to invest in the new varieties, and have no access to storage and processing infrastructure, are effectively cut off from the value chain, while

migrant smallholders with only secondary rights to land have lost out to commercial plantations. Perhaps unsurprisingly, the case study locations have become areas of substantial out-migration and wage agricultural labour.

In contrast, domestic urban markets are the main outlet for fruit and vegetables produced by smallholders in Vietnam's Mekong Delta. One reason for this is the sudden and no doubt painful contraction of the Chinese export market which, until 2001, had absorbed about 80 per cent of Vietnamese fresh fruit. Equally important, however, is the rapid improvement in the living standards of both rural and urban Vietnamese households, with related transformations in food consumption. Also important in understanding the difference between Ghana's pineapple frontier and fruit production in Vietnam's Mekong Delta is the function of local traders. While their role in Ghana is marginal, in Vietnam they dominate transactions and have established most of their processing activities within local settlements, thus contributing substantially to the diversification of the local economic base. The Mekong Delta fresh fruit frontier thus suggests that domestic urban markets are a better option for smallholder agriculture. It should be noted that this is by no means an isolated finding: longitudinal studies in drylands Africa (Tiffen, 2003) and in West Africa (Club du Sahel, 2000; Toulmin and Guèye, 2003) have also shown that expanding domestic urban markets are key drivers of smallholder production even in the absence of the spectacular rates of economic growth of countries such as Vietnam.

### **Settlements' trajectories: geographical, economic and institutional aspects**

Both the economic base of the settlements and the livelihoods of their residents are closely interlinked with chain-specific dynamics. But beyond this broad generalisation, the variations between and within the case studies' locations point to the need to take into account a number of specific factors that contribute to shaping these differences.

Starting from the settlements, it is clear that location is important for economic development, but only when it is accompanied by access to good road and transport infrastructure. Distance is often a less powerful constraint on economic development for remote settlements than isolation. Moreover, while most settlements manage to have links to one local urban centre, connection to a network of rural and urban settlements provides a wider scope for economic and social interactions that benefit both the settlement and its residents (Douglass, 1998). The Mekong Delta case study shows how these networks also shape, and are shaped by, complex trade relations that span local, national and international markets. This is mirrored by the greater mobility, and variety of destinations, of the residents of well-connected settlements compared to the residents of relatively isolated settlements.

Settlements with a highly diverse range of activities generally fare better in terms of population and economic growth. The nature of the main crop grown

locally clearly has an impact on the ways in which diversification evolves. Hence, crops that do not require local processing and can be transported in bulk do not create related local employment. Higher-value and perishable crops such as fresh fruit which require grading, packaging and rapid transport to final markets can, in contrast, create local employment. This depends, though, to a large extent on whether markets are controlled by local traders based in the settlements or by global buyers such as supermarkets and national marketing boards. Moreover, crops with pronounced seasonal production cycles affect non-farm activities: in Ghana's cocoa frontier, for example, traders bring in manufactured goods and provide services at the height of the cocoa season when indigenous as well as seasonal migrant labourers flock to the local settlements and are more likely to have money in their pockets. Once the season is finished, farmers, labourers and traders move elsewhere.

The most dynamic settlements in both Ghana and Vietnam are more 'urban' than 'rural'; although their economic base is closely interlinked with agriculture, and with specific crops, their residents are more likely to be employed in non-farm sectors and rely on purchased goods and services rather than on subsistence. The latter is important in that it spurs the growth of services that are not directly related to farming and depend more on population density and income – for example, cafés and restaurants, hairdressers, personal transport providers. Such services are an important source of income for the poorer groups. On the other hand, in all the settlements described in this section the non-farm economy is closely linked to local agricultural activities. Hence, even if the residents of the very dynamic Vinh Thoi settlement in the Mekong Delta are less and less engaged in farming, the economy of the settlement and the livelihoods of its residents depend heavily on fresh fruit produced in the surrounding region. To a large extent the fortunes of the settlement and its residents reflect those of the specific commodity. As the settlements in Ghana's pineapple frontier suggest, however, the structure of agricultural markets can be far more important than the commodity itself.

Most of the settlements described in this section are classed as 'rural' and even the most rapidly growing ones are just about to attain urban status of the lowest order but are not quite there yet. They often provide basic services to their inhabitants and the surrounding population – primary schools, primary health care – but not much more. Local governments typically have limited decision-making power and capacity, and depend on district or provincial authorities for their revenue. Local institutions, however, can play important roles in providing basic infrastructure such as market places, and access to market information and regulations. They can also play a key role in determining access to assets such as land, and thus have a major impact on local livelihoods. In Vietnam, the redistribution of farmland to rural households in 1998 is at the root of the relatively equitable access to land in the country, despite the emergence of land markets. In Ghana, by contrast,

customary land tenure systems still prevail in the rural areas and traditional chiefs' decisions can make it difficult for migrants to obtain secure tenure. In the case of the pineapple frontier, migrants are the first group to lose access to land as commercial plantations enter the scene.

### **Livelihood transformations: income diversification and mobility**

Reflecting settlements' dynamism – or lack of it – the livelihoods of their residents can be described as ranging from mono-activity (usually farming) and mono-location, to multi-activity and multi-location. Households that rely on a diverse portfolio of income-generating activities, often involving different locations, are generally less vulnerable to shocks such as the sudden drop in the prices of their main crop. Moreover, households that can rely on the safety net of non-farm incomes are usually more prepared to invest in (and risk) farming innovation and intensification (Hoang *et al.*, 2008).

All the case studies suggest that access to land is an important factor underlying income diversification. In Ghana, customary tenure systems may force migrants into trade, wage labour and services activities, while in Vietnam's Mekong Delta it is more likely to be population density that decreases the availability of farmland. The transition from farming to diversified livelihoods is a complex one, however. It can be the cause – and the result – of increasing wealth and accumulation of assets; but it is also in many cases the survival strategy of the poorest groups. As such, it defies generalisation and calls for attention to local contexts and diversity.

A similar point can be made for mobility. In the stagnating and declining settlements where local opportunities for income generation are shrinking, out-migration is an obvious option, although in many cases not one which is available to the poorest groups. On the other hand, the most dynamic settlements attract in-migrants who set up enterprises or work as agricultural labourers. This does not mean, however, that in these settlements there is no out-migration. Quite to the contrary, there are often large flows of out-migrants from all income groups for whom mobility implies access to better options than those available locally – stable factory jobs, secondary or university education, and so on. At the same time, employed migrants contribute substantially to local household incomes and can be said to play a significant role in the dynamism of their home settlement.

### **Conclusion**

In all the settlements described, agricultural production is the mainstay of the local economic base and of the majority of local livelihoods. There are significant variations, however, in the nature of the crops, in the systems of production and, crucially, in the structure of the agricultural markets to which farmers have access. There are also some similarities; in the most

dynamic settlements, the majority of residents are engaged in non-farm occupations and trade is especially important, both at the settlement and at the household levels. Trade and mobility clearly benefit from good road and transport infrastructure providing access to the surrounding rural region and a network of larger cities. The growing settlements in Vietnam and Ghana described in this section thus play a key role in linking rural and urban spaces. They are also the places where agriculture, services and manufacturing activities converge and interact. While these linkages and interactions are shaped by the local context, however, national-level agricultural policies and more general economic growth strategies have had an impact on the trajectories of rural small towns in both Ghana and Vietnam. Moreover, global-level transformations in international trade and production systems have had – and will continue to have – a dramatic impact on these settlements.

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## 8 Handicrafts in Vietnam

### Rural urbanisation in the Red River Delta

*Katherine V. Gough and  
Dang Nguyen Anh*

#### Introduction

Vietnam has been changing rapidly since the introduction of *Doi Moi* in the 1980s. The aim of the reforms is to create a hybrid third way, a socialist-oriented market economy which is in between a planning system and capitalism (Smith and Scarpaci, 2000). The economic reform programmes have included opening up to international capital which has contributed to annual growth rates averaging about 9 per cent for most of the 1990s. Vietnam still has single party rule, though, and the state continues to control a large proportion of national production (Dixon, 2003). The development of non-agricultural activities in the countryside and rural industrialisation are central policies of the Vietnamese government. The aim is to boost the incomes of rural households, stimulate demand for consumer products, and above all create jobs and limit the rural exodus to the towns and cities (Anh, 2005). One such policy is the promotion of handicrafts in rural areas. Handicrafts are considered an effective measure to create *in situ* employment, reducing poverty and the income gap between urban and rural regions which in turn should help curb the flow of workers to urban areas. The Ministry of Agriculture and Rural Development has the target of helping to develop a particular craft in each village which should contribute a large part of the inhabitants' annual income. Since *Doi Moi* was introduced, a large number of rural households have developed new craft and industrial activities, or have diversified existing handicraft production, as a consequence of these policies.

In the Red River Delta, in northern Vietnam, many households have long been engaged in handicraft production. Typically, a settlement has become specialised in the production of one handicraft, the skills being passed down through the generations. There is a wide range of handicraft types including bamboo and rattan weaving, silk weaving, wood carving, conical hat making, ceramics, pearl inlaying, embroidery and lacquerware, etc. On entering a settlement it does not take long to discover what a village's main handicraft is, as people of all ages are visibly engaged in their work in open-fronted rooms and in the open air on their plots. On entering the houses more hidden activity is revealed, sometimes in the form of quite substantial workshops



and some of it damaging to the environment and health. In the current *Doi Moi* era, what is happening to this handicraft production? How are the products evolving over time and who is engaged in production? Do handicrafts provide a viable income source? How do the experiences of villagers engaged in differing handicrafts vary? What is the nature of rural–urban dynamics in these handicraft settlements?

These and other questions are discussed in this chapter which focuses on the changing nature of handicraft production in the Red River Delta. It draws on data collected in two settlements where differing handicrafts are produced: embroidery in Quat Dong and lacquerware in Ha Thai. After a general introduction to the Red River Delta, the cradle of craft villages in Vietnam, the changing nature of handicraft production since the nineteenth century is outlined. Subsequently, the implications of these changes for livelihoods and settlement are discussed. It is shown how handicrafts have long been an important aspect of livelihoods in the Red River Delta but that their contribution has waxed and waned under differing historical conditions illustrating an ability to adapt to the politico-economic situation. Today the importance of handicrafts to livelihoods varies according to the nature of the craft but clearly contributes to increasing wealth and greater inequality. This is illustrated by the changing social and physical nature of the settlements which are becoming as urban as they are rural.

### **Craft villages in the Red River Delta**

Vietnam currently has more than 2000 craft villages, which are defined as villages with over 20 per cent of the households involved in handicrafts or over 20 per cent of their income derived from handicraft production. There are an estimated 1.4 million handicraft production households, almost 10 per cent of the total number of households in Vietnam, who are engaged in making a wide range of crafts. The majority of these (80 per cent) are located in the north of Vietnam. The total production value of craft villages grew by 15 per cent per year from 2001 to 2004 reaching around VND 9000 billion (616 million US dollars) in 2004<sup>1</sup> (MARD, 2005). The export value of the handicrafts increased from 235 million dollars in 2002 to 450 million dollars in 2004. The crafts also carry important cultural and social values of the nation.

The Red River Delta is the region with the highest density of craft villages, having about 1000, and is the most densely settled region of Vietnam. The villages produce goods for use in the everyday life of villagers and urban consumers, such as processed foodstuffs, religious objects, industrial products and building materials, as well as producing handicrafts for domestic use and export. The inhabitants of the craft villages typically enjoy income levels four times higher than those in agricultural villages and have been able to invest in property and improve their living conditions (Yen, 2005). DiGregorio *et al.* (2003) claim that since land redistribution was completed in 1993, the Red River Delta has experienced agricultural diversification and intensification,

economic specialisation, extensive home construction and the broadening appeal of urban culture and consumption standards. This they refer to as a process of 'rural urbanisation'.

Within the delta, government plans include both maintaining and promoting traditional craft villages and creating new ones. Plans for the handicraft sector have been drawn up at province, district and commune level. The Ministry of Industry has programmes to boost craft villages, especially those with famous products such as pottery, ceramics and leather goods, through connecting them with markets and encouraging the hiring of local labour and the use of local materials. The aim is to develop traditional crafts to produce goods for the domestic and export markets and develop service activities such as transportation, power and water supply, technical services for agriculture and livestock farming, and financial and training services. Assistance can be obtained to facilitate access to capital, production technologies and scientific advancement. Furthermore, every village can set up a fund to receive assistance from local and international organisations to promote craft production and marketing.

This research focused on Ha Tay Province which has one of the highest concentrations of craft villages, reportedly 120 in total. Proximity to Hanoi means that the villages have the possibility of being well connected to local and international markets. Two settlements were selected for the study, both of which have well-established handicraft industries with links to the global market. Quat Dong village, situated in the commune of the same name, is a traditional craft village located approximately 21 km south of Hanoi (see Figure 8.1). Inhabitants claim that Quat Dong is the settlement in the Red River Delta where embroidery was first practised over 400 years ago. In 2006, Quat Dong had an official population of 4360 people (2100 males and 2260 females). Ha Thai, located in the commune of Duyen Thai about 17 km southeast of Hanoi, is a settlement of 2950 people (1450 male and 1500 female). Lacquerware production is the main occupation of the majority of the population of Ha Thai, who have been engaged in some form of painting for over 200 years. Officially, the inhabitants of the settlements studied are those who are registered as living there; this means that temporary migrants are not included and hence did not feature in the questionnaire survey.

### **Changing nature of handicraft production**

Quat Dong and Ha Thai have been craft villages for generations. The inhabitants have worked in both agriculture, predominantly growing rice, and making handicrafts. How they divided their time between the two activities has varied over time. Three broad time periods can be identified: first, a colonial period consisting of French domination from the nineteenth century to 1945 followed by a turbulent phase (1945–1954) which included Japanese occupation; second, a co-operative period which consisting of a phase where war dominated (1954–1975) and a post-war phase (1975–1985); and third, a

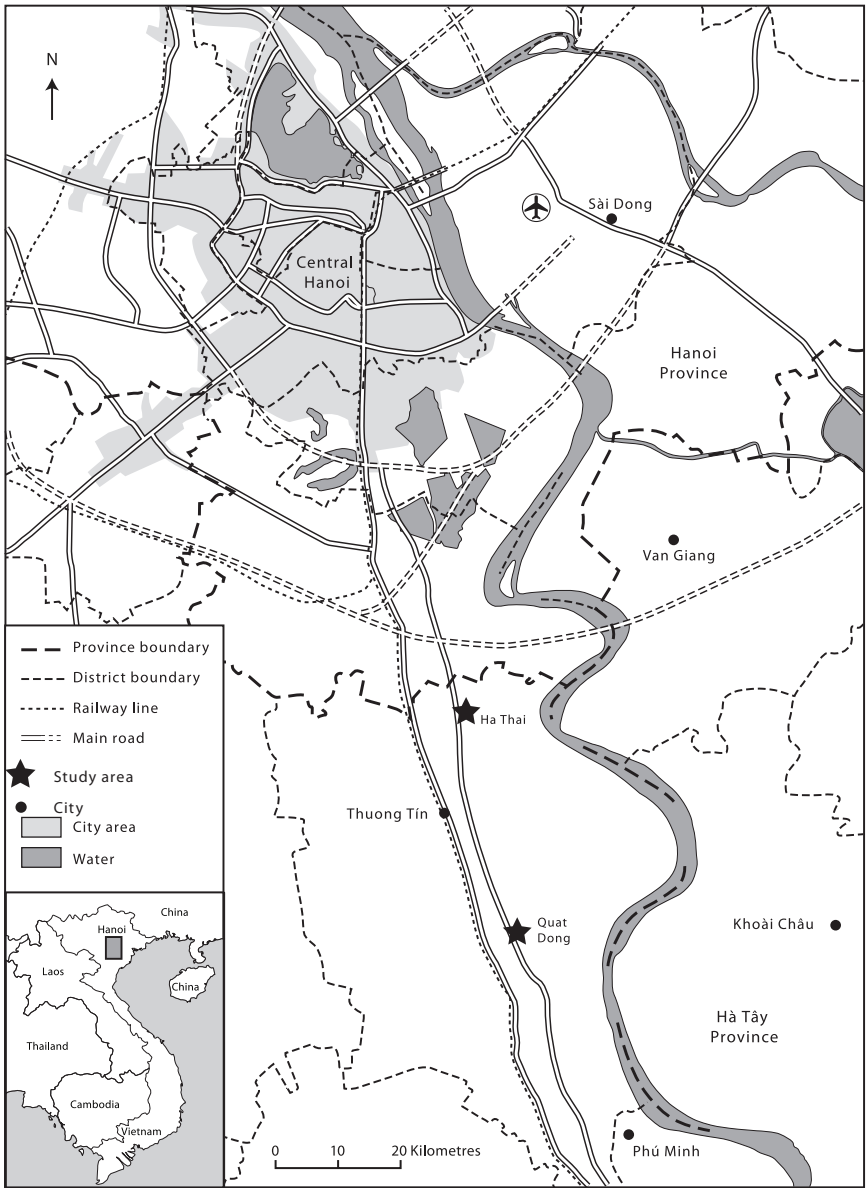


Figure 8.1 Map showing location of study settlements in the Red River Delta.

*Doi Moi* period consisting of the initial years of *Doi Moi* (1987–1997) and a later phase where *Doi Moi* was intensified (1997–2007). The ways in which handicraft production has varied in relation to these time periods will be briefly outlined below.

Embroidery boomed under the French in the nineteenth century as there was demand for exports of embroidered bed sheets and table cloths in particular. The thread used was imported from France. When the Japanese took control in 1940, this market disappeared and the embroidery making diminished. After the French returned and re-occupied the north five years later, trade with France resumed and there was substantial demand from the French colonial residents for embroidered products. Production thus increased once again especially for cloth embroidered with dragons. During the same time period, the primary handicraft production in Ha Thai was painting pictures and decorations for temples and houses, for example painted paper boxes which were used to cover tea pots and painted covers to keep flies off food. The pictures being painted at this time were principally of rural scenes and the products were mainly sold on the local market.

Under the communist Vietminh, co-operatives were established and exporting was organised through officials/committees operating at various levels. According to the villagers, the export of embroidered products fell due to the extensive bureaucracy and because government officials were not concerned about the quantity they exported as they 'had rice to eat' (i.e. had salaries) regardless of the amount sold. Cloth and thread were imported from China but the variety was greatly reduced, which jeopardised the quality of the embroidery making it difficult to export. Lacquerware underwent a similar transformation with the establishment, then collapse, of the co-operatives and state-run brigade in Ha Thai. The cooperative system of production failed to take advantage of the potential benefits of working as a group, resulting in low productivity and disregard for product quality as the profits were shared equally. In the early 1980s, the craft cooperatives dissolved and production was taken over by households and individuals who managed to survive using their skills and family labour.

Since the introduction of *Doi Moi* in 1986, the opportunities for exporting have increased once again and the lifting of import restrictions has improved the range of inputs for handicraft production. Consequently, there has been a boom in embroidery and lacquerware exports. Production of lacquerware has increased rapidly to the extent that many of the lacquerware producers in Ha Thai no longer farm but devote their time totally to handicraft production. In contrast, although the time spent on embroidery work has increased in Quat Dong, rice farming is still practised. This brief historical overview has shown how the importance of handicrafts to livelihoods has changed over time in relation to the macro-institutional and economic conditions. The nature of the products and production process have also changed as the demand and the inputs available have changed, and these are outlined below.

### ***Embroidery***

Embroidery requires few raw materials, just the thread, needle and cloth, all of which are today produced in Vietnam. When a picture is being

embroidered the cloth is stretched over a wooden frame and the embroiderer sits on the floor (Illustration 8.1). For smaller pieces of embroidery, such as bag decorating, the cloth is held in the hand. The thread used to embroider is made in Vietnam, much of it being produced locally (using chemical dyes) by a few families. There are just two stages in the embroidery process: first the design has to be printed on the cloth; second, the product is embroidered. Embroidery work in Quat Dong was initially a male-dominated activity. The skills were not passed on to women for fear that if they married outside the settlement they would pass the closely guarded skills on to other villages. Today, however, embroidery is predominantly done by women and there is no longer a concern about the skills spreading. Since *Doi Moi* there are more economic opportunities for men and embroidery is seen principally as an occupation for uneducated women. Skills are passed through the generations



*Illustration 8.1* An elderly woman engaged in embroidery in her home in Quat Dong.  
Photo by Katherine V. Gough

in the home. Outside workers are rarely employed because of the highly skilled nature of the work.

Much of the production in Quat Dong is done to order. The production process is controlled by a few entrepreneurs who have managed to build up contacts with buyers placing orders. An advance is requested, usually about a third of the final price, which is needed both as a security and to fund the cost of the raw materials. On obtaining a contract, the entrepreneurs outsource the work to other households in the settlement, supplying them with the necessary raw materials. Many of those doing the embroidery have no idea where their products are destined and are not interested in being responsible for the marketing as they perceive themselves as 'simple farmers'. Even those commissioning within the village rarely export directly but operate through middlemen. These middlemen usually come to collect the completed work in person. Sometimes the embroidered products are sent by post but cases were reported of customers abroad, especially Vietnamese migrants, placing orders which they never collected or paid for.

The local Vietnamese market for embroidered pictures and objects has declined over the years. Most of the embroidery produced is sold to foreigners, either to tourists visiting Vietnam or for export. Recent orders have come from countries including France, Germany, Sweden, US, Japan, China and South Korea. Some of the products are clearly designed for a foreign market, such as small decorations, embroidered with 'Bienvenue' or 'Amor' to hang on the wall or cover a jar. The inhabitants of Quat Dong were concerned that if the SARS virus were to return, Vietnam might receive fewer foreign visitors which would affect their business. Few tourists visit Quat Dong despite it having been labelled by the province as a 'craft tourist village' in 2002, and there are no organised tours or showrooms. Craft tours are especially popular with Asian tourists who prefer to visit the pottery and silk villages close to Hanoi with their organised workshops and stores.

### ***Lacquerware***

The production process of lacquerware has changed substantially over the years and although still labour-intensive it increasingly relies on modern inputs and machinery. The main inputs are bamboo, wood, lacquer paint, mud and ground rock, and increasingly chemicals which are added to the lacquer paint to speed up the drying process. The production process involves a number of distinctive steps which require a range of techniques. The wood or bamboo base of the product is made to order by local craftsmen. The object is then sanded down before being covered in gauze. The object is then coated with several layers of mud, which comes from the nearby river. Once the object has dried, several layers of lacquer are applied, either by hand or by using a spray machine. The finishing touches added to the product then vary according to its nature. In the case of pictures, the painting is done by hand and if pearl inlaying is required this is carried out in another village in

the Red River Delta. The final products are then polished several times using machines and copious quantities of water.

Previously, one household would carry out all of the stages within their home. Today many households specialise in one (or two) stage(s) of the production process. It is common no longer to rely on only family labour but to employ workers, especially to carry out the toxic lacquerware painting. It takes only two to three months to become a well-trained lacquerware worker. One third of households in the sample hired migrant labour and a few businesses have grown to employ as many as 20 workers. The workshop premises have been expanded to provide the necessary space for the employees (Illustration 8.2) who sometimes not only work in these spaces but also sleep in them. Some of the larger enterprises outsource tasks to other households in the village. The owners will always ensure that they put the finishing touches to the items to control the standard of the finished product. Many households receive direct orders for work but as they operate through middlemen they do not actually know where their goods are destined. The need for constantly developing new designs in order to try to maintain, or even increase, their share of the market is widely recognised by the lacquerware producers. They are highly competitive and attempt to hide new ideas from other producers.

Lacquerware is especially popular among tourists, who are attracted by the colourful and interesting shapes of the products which are displayed in open-fronted shops in the major tourist cities. Many products are exported directly; one example of a company buying lacquerware is 'Far Eastern' which is based in Hanoi and sells to France and Japan. Countries from which the lacquerware producers have received orders include USA, Italy, France, Sweden, Germany and Japan. When an order has been completed, the person who commissioned it will usually collect it in person; if they approve of the quality they pay, or if it is not good enough they request that the product be redone. Ha Thai is listed on possible tourist tours by some agencies in Hanoi, though tourists rarely take these tours. The few tourists who do visit Ha Thai do so with their own guide and enter craft-producing homes wherever they happen to be invited in. There are a couple of showrooms in Ha Thai but their role is to show the range of products to potential exporters rather than display products for tourists to buy. The home market counts for a relatively small proportion of sales but vases, which are placed on altar pieces in the home or temples where ancestors are worshipped, are popular among the Vietnamese.

### **Implications of changes in handicraft production for livelihoods, mobility and settlement**

Having outlined the nature of handicraft production for embroidery and lacquerware, we now turn to look at the implications for livelihoods and settlement in the Red River Delta. Particular attention is paid to drawing out the similarities and differences between the two handicrafts.



*Illustration 8.2* Workers engaged in lacquerware production in a workshop in Ha Thai.

Photo by Katherine V. Gough

### ***Livelihoods***

Handicrafts are central to livelihoods in both Quat Dong and Ha Thai but they differ in the ways in which they are combined with other occupations. In Quat Dong, farming is continued alongside handicraft production whereas in Ha Thai, lacquerware production has largely replaced farming. Thus in Ha Thai there is no seasonal nature to handicraft production whereas in Quat Dong the production is seasonal due to farming commitments. However, in Ha Thai the land has not been totally abandoned; many inhabitants have rented out their land, receiving payment in exchange for the use of the land. There are a range of reasons as to why this difference has emerged. The production process of lacquerware requires greater capital input and generates a greater profit. The demand for lacquerware comes from both the



domestic market and for export and is considered to be relatively stable. The embroidery, on the other hand, is mainly for export and this market is less stable. Embroiderers continue farming rice so that if the demand for their handicraft work falls, they can still feed their families. Embroidery is also an activity which is easy to take up and put down again, filling in the spare hours when there is nothing to do on the farm. Lacquerware production, on the other hand, consists of a number of stages which have to be passed through within a certain time-frame, making it harder to put aside if work on the farm calls.

There is also a clear distinction between the two villages in how these differences are played out in terms of both gender and generation. As Table 8.1 shows, embroidery is predominantly carried out by women; although some men do engage in embroidery they are in the minority. In Ha Thai, it is most common for men and women to engage equally in lacquerware production; hence the work is not dominated by either gender. In both settlements, women are predominantly responsible for farming though in almost a quarter of cases men and women are deemed to be equally responsible. A noticeable difference is that whereas in Quat Dong only 6 per cent of households are no longer farming, in Ha Thai 27 per cent no longer farm. The differing incomes generated by the two handicrafts are reflected in only 10 per cent of households in Ha Thai engaging in other income-generating activities (besides handicraft and farming) whereas almost 40 per cent in Quat Dong do. These are mainly male household members who work as drivers, masons, etc., at times even commuting to Hanoi.

There are also clear differences in the attractiveness of the respective handicrafts to young people (Table 8.2). Three-quarters of respondents in

*Table 8.1* Participation in income-generating activities in Quat Dong and Ha Thai by gender

<i>Activity</i>	<i>Participation</i>	<i>Quat Dong</i>	<i>Ha Thai</i>
Craft	Predominantly male	6	19
	Predominantly female	81	27
	Equal male/female	13	54
Farming	Predominantly male	17	4
	Predominantly female	54	46
	Equal male/female	23	23
	No one	6	27
Other work	Predominantly male	21	8
	Predominantly female	12	2
	Equal male/female	4	0
	No one	63	90
Sample size		100	100

*Source:* Authors' household survey, 2006.

Table 8.2 Attractiveness of handicraft to young people in Quat Dong and Ha Thai

		<i>Quat Dong</i>	<i>Ha Thai</i>
Degree of attractiveness	Very attractive	32	75
	Moderately attractive	54	25
	Not attractive	14	0
Most attracted	Male	0	4
	Female	88	6
	Equal	10	90
Sample size		100	100

*Source:* Authors' household survey, 2006.

Ha Thai said that the youth were very attracted to working in the handicraft compared with only a third in Quat Dong. The gender difference also emerges very clearly with 90 per cent in Ha Thai claiming that the handicraft is equally attractive to men and women whilst a similar number in Quat Dong maintain that the handicraft is only attractive to women. Although men traditionally engaged in embroidery, most young men are reluctant to engage in an activity which they consider is traditional, back-breaking, a strain on the eyes, and is combined with farming which the youth also find unattractive. Despite the hopes of their parents that the embroidery tradition of their ancestors will continue, many young women do not plan to continue the handicraft work either. Embroidery is seen as being traditional work using simple materials and hence as being the domain of young women who are unable to obtain an education or alternative employment. Lacquerware production, on the other hand, is seen as a more modern activity which uses more modern equipment and materials. It also generates a higher and more consistent level of income.

### ***Mobility***

Some households in both settlements have members who have migrated. In Quat Dong this was the case for a quarter of households whereas in Ha Thai it was reported as only 6 per cent. In most cases only one family member had migrated though for a few (5 per cent in Quat Dong and 1 per cent in Ha Thai) it was two or three members. This reflects the greater attractiveness of lacquerware production (to both genders) versus embroidery. One consequence of this difference is the greater emphasis placed on education in Quat Dong. Young people in Ha Thai have access to a relatively secure and desirable income source resulting in their having less incentive to continue in their studies; 6 per cent of households in Quat Dong, but none in Ha Thai, had a member living away from the household who was studying. Remittances are an important source of income for only a few households: 9 per cent

in Quat Dong and 6 per cent in Ha Thai. The migrants sending money are mainly young men and the money is predominantly used to cover daily expenses.

In Ha Thai there is also considerable in-migration as well as out-migration from the settlements. Migrants from other communes and districts come to the village looking for work in the handicraft business. They are much more likely to find work in Ha Thai as there is a greater need for hired labour and because the skills involved in lacquerware production are more easily learnt than embroidery. The migrants are predominantly northerners who come to stay for a couple of years in order to save money before returning to their hometown, often to marry. They work long hours, seven days a week for a daily wage of 20,000 dong. They have to pay for their food out of their wage but live in the workshops to save money, despite health hazards from the fumes. The number of migrants coming into Ha Thai has risen in recent years as the demand for labour has increased, both due to the industry outgrowing the local labour supply and as the local population has been increasingly reluctant to engage in the more hazardous parts of the production process. In 2006 it was estimated that migrants made up about 10 per cent of the population, i.e. about 300 people.

### ***Settlement***

The changing fortune of handicraft production has influenced the settlement characteristics, not only in terms of the population but also in the physical nature of the buildings. Income generation from the handicrafts has enabled some households to invest in improving their homes resulting in many of the traditional one-storey buildings being replaced by multi-storey houses (Illustration 8.3). As Table 8.3 shows, half or more of the houses have four rooms or more. Only one household interviewed in Ha Thai, but 11 in Quat Dong are still living in single-room dwellings. In Quat Dong it is clearly the subcontractors who have built the finest houses. In Ha Thai, the symbiotic relationship between home and work (Gough and Kellet, 2001) can clearly be seen; handicrafts being made in the home are generating income which many households have invested in expanding their home thus creating more space for craft work. The lacquerware products are displayed on the ground floor

*Table 8.3* Size of houses in Quat Dong and Ha Thai

<i>House size</i>	<i>Quat Dong</i>	<i>Ha Thai</i>
Large (4 + rooms)	50	59
Medium (2–3 rooms)	39	40
Small (1 room)	11	1
Sample size	100	100

*Source:* Authors' household survey, 2006.

of the multi-storey houses where household members can be seen putting finishing touches to the products. The more hazardous parts of the production process are generally carried out on the top floor where there is more ventilation and the activity is out of sight.

The handicraft production process can have a negative impact on the well-being of the workers and the local environment. Although embroidery work is not polluting for the environment, it is not without health hazards; embroiderers complain about failing eyesight from working in poor light and of back problems from bending over the frames. Elements of lacquerware production, however, are highly toxic providing a threat to both the local environment and the health of the workers. Chemicals added to the lacquer result in the painting and spraying being particularly unhealthy tasks. Typically it is migrant workers who are engaged to fulfil these tasks as the owners do not want to expose their family members to the lung and skin problems that are frequently reported. Due to the potential health risks, children and the elderly rarely participate in lacquerware production, whereas they are heavily engaged in embroidery work. Some households in Ha Thai have built chimneys to try to extract the fumes from the lacquer and expel them into the atmosphere. However, this is beyond the capacity of the smaller enterprises and especially in winter, when there is a lot of fog and damp air, the pollutants hang low over the village resulting in all the residents suffering from respiratory diseases. Disposing of polluted water from washing the lacquerware is also a problem. As there is no waste water treatment facility, the polluted water enters the drains directly and flows into the natural waterways and then onto agricultural land. The waste water pollution from lacquerware production contains high levels of heavy metals, toxic chemicals, acids, coliform bacteria, etc. Consequently, it is no longer safe to drink water from the well in Ha Thai, there are no fish left in the village pond and the pollutants are affecting the agricultural sector (Illustration 8.3).

The proliferation of the number of enterprises in Ha Thai producing lacquerware, and their general lack of awareness of the pollution they are generating, has contributed to the environmental problems outlined above. Despite water treatment projects having been considered by the provincial and local authorities, no system is yet operational. The People's Committees of the commune and the province have plans to establish an industrial area on the outskirts of Ha Thai to which the lacquerware production would be moved. The plans have been met with a degree of resistance among the lacquerware producers, however, who are not keen on working in the same place as they compete over product types and orders. The producers are interested in keeping their own ideas and contacts to themselves and most could not afford the extra cost of paying for a workshop outside the home. The provincial People's Committee has taken steps to convert the status of some agricultural land into land intended for industrial production in order to establish lacquer mini-zones located away from the residential areas. This is a major advance in the Red River Delta, where paddy fields are sacred and



*Illustration 8.3* Wealth generated by lacquerware production has enabled many households to build new homes in Ha Thai but the ponds and surrounding agricultural land have been polluted.

Photo by Katherine V. Gough

the status of agricultural land is not easily changed, and should contribute to reducing environmental pollution.

Wealth generated from the handicraft industry has resulted in social mobility for some residents. In both Quat Dong and Ha Thai, large-scale producers/contractors have emerged and Ha Thai also has many medium-scale enterprises. The increased wealth is reflected in the purchase of consumer items and, as Table 8.4 shows, possession of the listed items is much more widespread in Ha Thai than in Quat Dong. This reflects the greater income generated from lacquerware: on average 95 million VND yearly per household in Ha Thai compared with 21 million VND in Quat Dong. However, as well as differences between the settlements, inequalities are also emerging within them. Under communist rule, when the work was organised into co-operatives, there was little income difference between the households. Since the introduction of *Doi Moi* policies to promote private enterprise, households with direct links to middlemen/exporters have been able to establish successful businesses and become employers themselves. Inequality is more pronounced in Ha Thai than in Quat Dong, as illustrated by the income range in the settlements being much greater in the former; in Ha Thai, the

Table 8.4 Possession of selected household goods in Quat Dong and Ha Thai

<i>Household good</i>	<i>Quat Dong</i>	<i>Ha Thai</i>
TV	80	96
DVD/video	40	94
Display cabinet	11	68
Fridge	10	43
Telephone	18	45
Motorbike	30	79
Sample size	100	100

Source: Authors' household survey, 2006.

highest income recorded was 700 times the lowest income compared with 300 times in Quat Dong. Furthermore, according to official statistics, 9 per cent of households in Quat Dong are classified as being poor (living below the poverty line) whereas in Ha Thai the figure is 20 per cent. Hence, although in Ha Thai lacquerware production generates greater wealth, there is also a higher level of poverty and greater inequality. Anh *et al.* (2004) documented similar trends of increasing social polarisation in villages in the Red River Delta specialised in rattan and bamboo crafts.

## Conclusions

Vietnamese economic, cultural and social history is closely related to the formation and development of traditional craft villages whose products are made by skilful Vietnamese artisans. The overall picture emerging from the Red River Delta craft villages is one of handicraft production successfully adapting over time, but of the impacts on livelihoods varying according to the nature of the handicraft. The development of the handicrafts has occurred in a number of phases which go hand in hand with historical changes in the macro-institutional economic conditions. In the case of lacquerware, the handicraft has come to dominate livelihoods whereas in embroidery, the handicraft is carried out side by side with farming. These differences are due to the differing nature of the production processes, the markets for the products, the levels of income generated by the handicrafts, and gender and generational differences in participation in handicraft production. Handicrafts, such as lacquerware, which are 'modernising' appear to have a greater chance of surviving though they can also result in increasing health and environmental problems and greater inequality.

Handicraft production in the Red River Delta has resulted in increased wealth in the communities, which can be seen physically in the settlements where many of the original single-storey houses have been replaced by modern multi-storey houses. Some crafts, such as lacquerware, have come to require extra labour leading to in-migration which has increased the number

and type of people living in certain craft settlements. As well as physical characteristics, social aspects of urbanisation are also apparent with the broadening appeal of urban culture and consumption as illustrated in the increase in household material possessions. These processes have been referred to as the development of a 'new countryside' which is culturally and economically more urban than rural (DiGregorio *et al.*, 2003). In the same vein, it can be argued that there is a frontier of rural urbanisation, identifiable both physically and socially, which is directly linked to the increased demand for handicrafts on the global market and encouraged by government policies.

Since the introduction of *Doi Moi*, craft villages have grown throughout Vietnam producing a large volume of goods, generating jobs, improving rural incomes and contributing to reducing poverty in rural areas. However, the development of the craft villages is still largely due to the spontaneous acts of individual households who mainly operate on a small scale using basic technology and often uneducated workers. This can limit the economic development of craft villages and impact negatively on the environment. In the coming years, the Vietnamese Communist Party plans to encourage the development of craft villages in rural areas as they are considered to provide a key solution to eliminating hunger and reducing poverty. As this study has shown, the experiences and fortunes of handicraft production can vary widely. In understanding the place and role of handicrafts in rural development it is important to consider the nature of the handicraft as this influences many factors such as: the type of work involved including the suitability of combining with agricultural production; the number and type of migrants entering and/or indigenous leaving the settlements; the level of consolidation of housing and services in the settlements; and the nature of potential health risks and environmental pollution. The latter has emerged as requiring urgent attention by the state, which needs to manage effectively the environmental pollution that can be caused by certain types of handicraft production. These differences outlined here need to be taken into account when making policy decisions regarding handicraft villages as their development needs will vary according to the craft.

## Note

1 In 2004, the exchange rate was 14,600 VND to one US dollar.

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## 9 A revolution in the Thai handicraft industry?

### Handicrafts, integration and rural development in Northern Thailand

*Jonathan Rigg, Suriya Veeravongs,  
Piyawadee Rohitarachoon and  
Lalida Veeravongs*

#### Introduction

From the moment that Thailand was accorded the epithet ‘miracle economy’ by the World Bank in the early 1990s (World Bank, 1993), attention has focused on the Kingdom’s fast-track, foreign investment-driven, export-oriented industrialisation. To be sure, structural change has been both rapid and deep and this, in turn, has led to a fundamental restructuring of patterns of employment and modes of living. But there are two issues that can be placed in juxtaposition to this image of Thailand’s development practice and experience. First of all, there remains an important rural and agricultural context that has supported and contributed to the industrialisation process, while also being affected by it. And second, while car parts, micro-electronics, garments and footwear may represent the ‘new’, high-profile product lines in Thailand’s industrialisation (see Chapter 10), there is an older industrial sector of artisan-based activities which continues to be active, significant and vital. It is this second, low-profile and low-impact element of the country’s industrial sector which concerns us here.

Handicraft or artisan-based activities have a long history in Thailand. In a real sense, every household was an artisan household. Every woman was expected to be able to weave; most farmers would make or mend their own farm implements; and houses and their decorative flourishes were produced by villagers. While there were individuals with particular skills and specialisations, at a general level villagers were artisans just as they were farmers. As the authors of *Village Chiang Mai*, one of the first detailed village surveys to be carried out in the north of Thailand in 1969–1970, make clear, during the dry season many villagers turned their hands and their time to artisanal work. Men would repair houses, animal pens and farming tools; women would weave; while both men and women would make household utensils such as bamboo rice baskets (Na Ayuthaya *et al.*, 1979). The contemporary Thai

rural handicraft sector, therefore, emerges out of a long history of handicraft production. It is also important to note that certain parts of the sector were monetised and commercialised at an early date, a point that Bowie (1992) makes in her study of nineteenth-century textile production in northern Thailand. This is relevant in so far as how we view the past shapes our view of the historical context out of which the contemporary industry has emerged and developed.

The view that the contemporary rural handicraft sector in Thailand is explicitly linked – spatially, technologically and economically – to a pre-modern ‘industry’ is, however, problematic due to the assumption that such activities, because of their presumed and apparent associations with the past, are necessarily community-focused, founded on traditional technologies and skills, socially inclusive, environmentally benign, sustainable and low-risk, ‘authentic’, and participatory in terms of how they are organised. In this chapter, we argue that while the activities we analyse may be based in rural contexts and although they may appear to draw on the past for their artistic inspiration, they are more ‘new’ than ‘old’, more ‘modern’ than ‘traditional’, and more ‘global’ than ‘local’. These terms are, of course, simplifications and suffer from the inadequacies and inaccuracies of all binaries applied across varied social contexts and geographical spaces. Nonetheless, they highlight the axes of concern that lie at the heart of the discussion that follows. All that said, it should be emphasised that while the contemporary handicraft industry may not be quite what it seems, or what it presents itself to be, we do not start from the premise that this is necessarily ‘wrong’ or ‘bad’; indeed, without the adaptations that we outline and explore in this chapter, it is arguable that artisan-based production would have disappeared almost entirely from rural communities. As Parnwell writes in the context of his study of ‘eco-localism’ in northeast Thailand, ‘a genuinely local localism is increasingly unlikely (and not altogether desirable) within a modern reality of intense national, regional and global integration’ (2006: 193).

Not only is the notion of continuity between the present and the past problematic on historical grounds, but this is of practical and policy importance because of the perceived role that such ‘traditional’ activities can play in rural development. Rural poverty-alleviation programmes in Thailand are partially based on re-energising traditional craft-based skills and activities (ALRO-MOAC, 2006). Viewed particularly in the light of the Asian economic crisis and in the context of Thailand’s continuing flirtation with ‘localism’ (Hewison, 1999, 2001; Parnwell, 2005, 2006), rural industries are seen as a key means of ensuring that development is pro-poor, biased in favour of rural areas, community-based, participatory, and sustainable.<sup>1</sup> Rural industrialisation is often held in favourable contradistinction to state industrialisation policies to date which are seen to have created an economy that is vulnerable, dependent, environmentally destructive and unequal.

## Research in context: Ban Mor and Ban Pasakluang

The fieldwork on which this chapter is based was carried out between late 2005 and mid 2006 in two villages in Chiang Mai province in Northern Thailand: Ban Pasakluang in Doi Saket District, and Ban Mor in Sankampaeng District (Figure 9.1). The villages were selected because they represent different handicraft development ‘trajectories’. Ban Mor specialises in a ‘new’ handicraft – mango wood crafts – while Ban Pasakluang reveals the revitalisation of an old craft – *saa* (‘mulberry’) paper.

Until the 1970s, Ban Mor and Ban Pasakluang were farming-focused settlements. The production of wet rice for household consumption was the central and guiding activity of their populations, and the focus of their attention, efforts, knowledge and expertise. Government policy from the 1980s was to encourage farmers to grow high-value cash crops and invest in new technologies and methods of cultivation. Local people observed, however, that just as they embraced these new capital-intensive systems, so both production and returns to farming were becoming more unstable. In particular, the price of rice was falling while the costs of chemical fertilisers, pesticides and

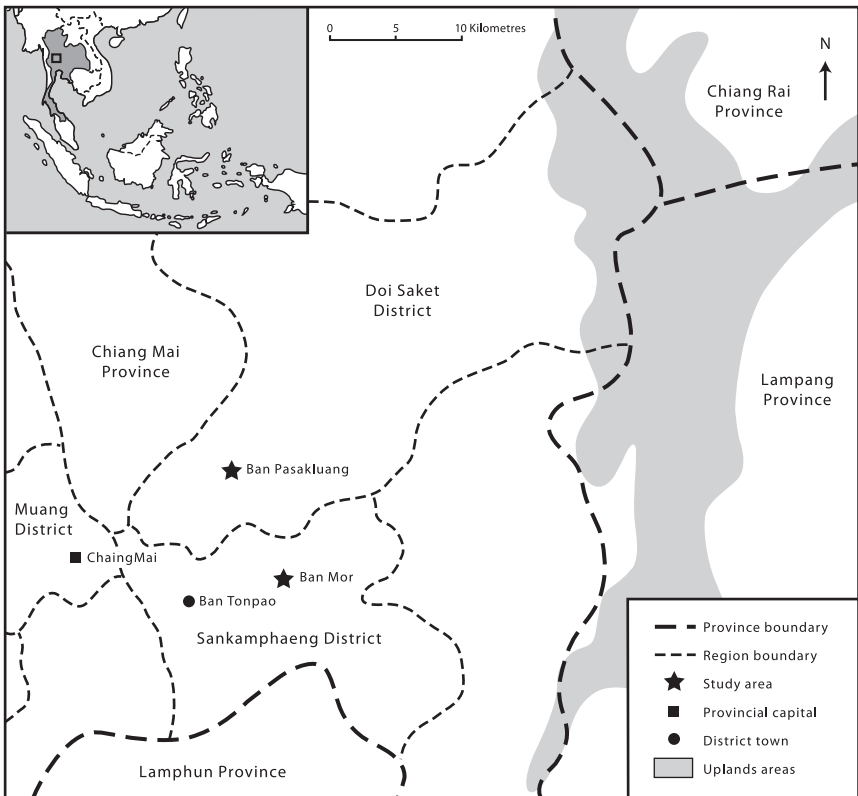


Figure 9.1 Map showing location of study settlements in Northern Thailand.

herbicides – all encouraged by the government – were increasing (see UNDP, 2007). The effects of this economic squeeze, moreover, were compounded by growing environmental challenges that were limiting farmers' ability to intensify production. While the rain-fed rice farmers of northern Thailand have always had to juggle risk in the context of a capricious climate, population growth and the expansion of cultivation onto more marginal lands has accentuated these risks.

The 1980s and 1990s also saw considerable change in agricultural technologies and farming methods. Tractors were introduced to mechanise land preparation and, more recently, harvesting machines have been introduced. Traditional forms of labour exchange were replaced by wage labouring as village economies became increasingly monetised and, with growing mechanisation, wage labouring itself has been squeezed. During the 1990s, the trends of the 1980s continued and deepened. More villagers found employment off-farm in the service and public sectors. With weak farm-gate prices, rising costs of inputs, and the difficulty of finding labour to work the land, many farmers decided that it was no longer worthwhile investing either cash or time in rice farming. Rice cultivation became focused on production for family consumption. Some households even gave up their role as own-account producers, and rented out their fields. Others sold their rice land as a final indication of their lost commitment to farming.

Even in the heyday of farming, Ban Mor's population did more than just farm. In particular, during the dry season, women would make earthenware pots or *mor*, after which the village is named. Men were not involved in the production of pots; their role was connected with the selling of the products in neighbouring villages and districts, often bartering pots for paddy, salt and chillies. But just as agriculture was in decline for the reasons noted above, the other 'leg' of Ban Mor's traditional economy was also being compromised as demand for earthenware pots dwindled in the face of the wide availability of alternative aluminium and plastic substitutes. These were often cheaper, usually more long-lasting, and were also seen in local terms as emblematic of modernity.

To combat this contraction in traditional occupations, households in Ban Mor began to experiment with new activities, and particularly with household-based non-farm activities which drew on villagers' expertise in small-scale industrial enterprise. In 1973, villagers began to use local raw materials to produce a range of craft products including various bamboo-based articles. By 1977 this had become a significant alternative income-generating and livelihood-sustaining element in the village economy. Later, a range of crafts based on the lathing of teak was developed. Souvenirs such as miniature traditional farming tools, water dippers and toothpick holders were developed for sale. These were followed by models of birds made from apple wood (*mai kra torn*) and wooden dolls carved from the wood of the kapok tree (*mai noon*). More recently, a range of decorative articles lathed from mango wood have come to dominate village handicrafts, from vases to

table lamps. This process of diversification within the village handicraft sector was given a fillip by the promotion of the OTOP – One Tambon, One Product – policy by the Thai government from 1999. Particularly significant in the development of Ban Mor’s wood-based handicraft industry was the shift from teak to mango wood (see next section).

At the time of the survey in 2005, fewer than 5 per cent of households stated that farming was their main source of income, although a further 22 per cent reported farming as a secondary or tertiary activity. In total, then, over one quarter of households retained a significant or at least a vestigial hand in agriculture, and juggled farming and nonfarming activities.<sup>2</sup> It is also true that Ban Mor remains embedded in an agricultural landscape (Illustration 9.1). In 2005, 1484 rai (237 ha) of land was cultivated and of this, 1202 rai (192 ha) was used for rice farming. Even so, the direction of livelihood change in Ban Mor over the last two to three decades is clear (Figure 9.2). In 1995 – based on villagers’ recall – 16 per cent of households recorded agriculture (including livestock-raising) as their main economic activity, and 31 per cent some form of handicraft activity; ten years later, in 2005, the respective figures were 5 per cent and 67 per cent.

Ban Pasakluang, like Ban Mor, is a long-established settlement with an agricultural past (Figure 9.1). Also like Ban Mor, home-based manufacturing has become increasingly important in the village economy and household



*Illustration 9.1* Surrounding agricultural landscape of Ban Mor.

Photo by Jonathan Rigg

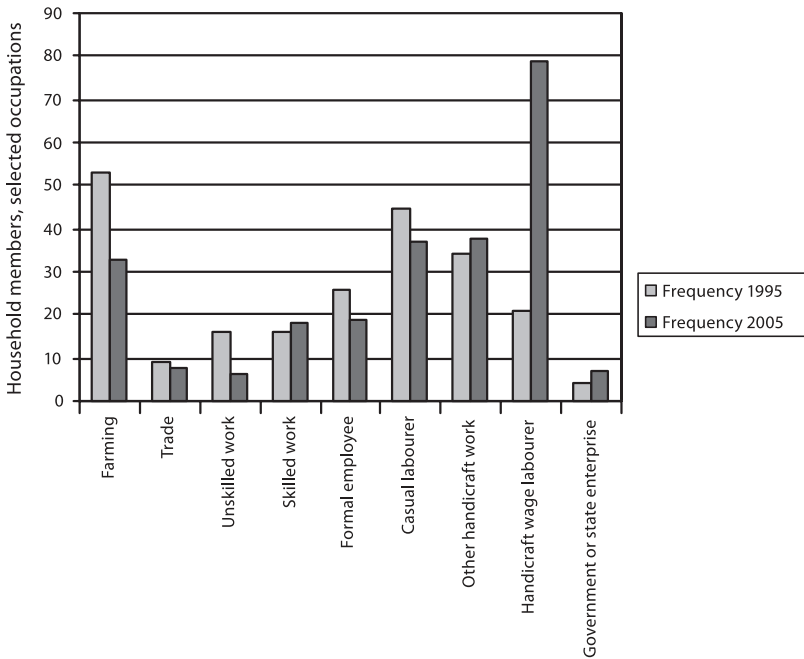


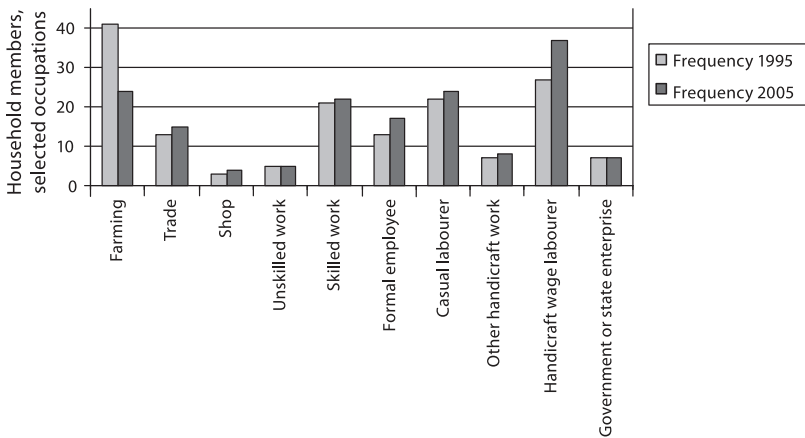
Figure 9.2 Sum of primary, secondary and tertiary activities, by selected occupation, Ban Mor, 1995 and 2005.

Source: Authors’ household survey, 2005.

Note: Households usually engage in more than one activity or occupation.

livelihoods. The diversification and delocalisation of the economy began rather earlier in Ban Pasakluang than it did in Ban Mor, during the 1960s, in response to the evolution of the wider regional economy of Northern Thailand. Wood carving emerged as a supplementary activity in the 1970s while pillow embroidery was also undertaken, mainly by women and children. Not only was work coming to the village, but some young women began to leave Ban Pasakluang to find jobs in the service sector (in hotels) and in manufacturing (in textile factories). From 1997, another phase in the evolution of Ban Pasakluang’s nonfarm economy took hold: the expansion of *saa* paper production.

The evolving balance of farm and nonfarm occupations among sampled households in Ban Pasakluang was not dissimilar to Ban Mor: in 2005, farming was a primary, secondary or tertiary activity among 30 per cent of the households interviewed, while 51 per cent were engaged in some form of craft-making activity. Ten years earlier, in 1995, the respective figures were 44 per cent and 39 per cent (Figure 9.3). Like Ban Mor, few households – just 6 per cent – relied on farming in 2005 as their main source of income. Today some 70 households work in the handicraft industry and, on average, each



*Figure 9.3* Sum of primary, secondary and tertiary activities, by selected occupation, Ban Pasakluang, 1995 and 2005.

*Source:* Authors' household survey, 2005.

*Note:* Households usually engage in more than one activity or occupation.

*Table 9.1* Summary statistics: Ban Mor and Ban Pasakluang

	<i>Ban Mor</i>	<i>Ban Pasakluang</i>
Population (2005)	1083	690
Households (2005)	385	210
Households sampled, 2005	130	88
Agricultural landholdings (ha)	237	131
Rice land (ha)	192	105
Land holding per household (ha)	0.62	0.62
Riceland holding per household (ha)	0.50	0.50
Proportion of households engaged in handicrafts (% total households, 2003)	49	38
Number of productive activities per household (2003)	3.7	1.7

*Sources:* Ban Mor Kor Chor Chor 2 Khor 2003: 2–4; Ban Pasakluang Kor Chor Chor 2 Khor 2001 and 2003; Tambon Health Station and District Census Registration Bureau statistics.

household farms half a hectare of rice land – a sub-livelihood holding (Table 9.1).

### **Mapping and tracking craft transitions in northern Thailand: from craft to industry**

Notwithstanding important differences between Ban Mor and Ban Pasakluang, both – on first impressions at least – fit with the current fashion to laud and promote village-based development initiatives that build on local skills, expertise and knowledge and which stress the small scale over the large scale,

the traditional over the modern, and ‘appropriate’ technology over high technology.

***Ban Mor and the mango wood industry: creating a handicraft***

Ban Mor has a long history of specialised craft-making, but today the most celebrated of Ban Mor’s products are lathed mango wood products. Some villagers involved in production can be regarded as household-based artisans, but around 20 households run large workshops or ‘factories’ (Illustration 9.2). While mango wood craft-making draws on a long artisan tradition in Ban Mor, the technology of production is modern. Powered lathing machines have replaced hand operated lathes, modern kilns have supplanted other means of drying, chemical dyes and paints are used in place of natural methods of staining the products, and hand painting has been superseded by spraying.

The use of mango wood dates from the late 1980s when the introduction of a logging ban in Thailand caused the supply of teak wood to dry up. Mango wood presented an attractive alternative; there was an abundance of mango trees, the wood carves and lathes well and, at the same time, it is not greatly valued for other uses – the wood burns poorly and produces low-quality charcoal. The introduction of powered lathes made it possible to produce



*Illustration 9.2* Sanding mango wood in a workshop in Ban Mor.

Photo by Jonathan Rigg



larger articles and meant that workers could acquire the necessary skills more quickly and easily, leading to a change in the make-up of the workforce. In addition, with increasing demand for mango wood, local artisans had to range further afield to source the wood. From a position in the early 1990s when it was locally abundant and could be acquired virtually for free, by 2005 producers were having to source wood from provinces in the Northeastern region, from Nakorn Si Thammarat in the South, from Uttaradit and Sukhothai in the Lower North, and from Uthai Thani in the upper Central Plains.

There is a market hierarchy which varies according to product but which is not dissimilar to that for *saa* paper. Sub-contractors receive their orders from entrepreneurs who, in turn, obtain their orders directly from customers or from dealers. At the same time, these sub-contractors distribute the orders to their groups or work teams or to their individual employees. The products are transferred from one worker to the next as each stage in the production process is completed. Sometimes this involves the transfer of the unfinished product between independent workers; in other instances it is contained within a single factory or production unit. They always end, however, with the highest-level entrepreneur who delivers the finished product to the customer or dealer.

Mango wood-craft production, unlike *saa* paper, shows stronger segmentation by task, gender and generation. Men tend to peel the bark from the mango logs and work the powered lathes. Scrubbing by machine and the manual smoothing-off of the wood, however, is mostly done by women because, it was said, this requires care, attention to detail and a delicate touch. Age also plays a role. Older men, for example, only occasionally work the lathes or remove the bark from the raw mango logs. Villagers involved in mango wood-craft production usually work full time and just a few workers juggle farm work with mango wood work.

The mango wood handicraft industry in Ban Mor relies, to a significant extent, on migrant workers. Some commute from neighbouring settlements, but there are also migrants from other Northern provinces and from Burma. In total there are between 600 and 1200 workers employed in the mango wood industry in Ban Mor, dwarfing the number who work on the land. Dormitory accommodation for the long-distance domestic and international migrants is provided by the mango wood entrepreneurs. The expansion of the mango wood industry has played a central role in re-working the social fabric of Ban Mor through creating the conditions whereby migrant labourers are attracted to work and live in the village.<sup>3</sup> Entrepreneurs, intent on expanding their businesses but cognisant of the limited local pool of labour, build dormitories and other social infrastructure to support their business plans but, in so doing, alter the village as a social entity as well as an economic unit. Because Ban Mor has such a vibrant economy, there is little out-migration. There are cases where villagers commute to work in the tambon, the local district or elsewhere in the province. Students may also choose to continue

their studies in Chiang Mai city or Bangkok. Generally, however, Ban Mor is a village of attraction and in-migration rather than a village of out-migration.

### ***Saa paper and saa paper products: revitalising a traditional industry***

*Saa* paper has been a traditional craft of Sankamphaeng district for centuries. It was used in candle-making and tailoring (as pattern paper), to make Northern-style pennants and lanterns, to cover *bai laan* Buddhist scriptures and, most famously, in the production of *saa* paper umbrellas. The expansion and commercialisation of *saa* paper production began in the 1960s, accelerating and deepening in the 1970s, and involved a three-fold shift in the basis and operation of the 'industry'. To begin with, the product itself began to be developed and diversified in new directions, from simple sheets of *saa* paper to more elaborate papers and *saa* paper products. Second, demand for *saa* paper in established, traditional markets began to decline. But just as traditional uses of *saa* paper were being squeezed out, so new possibilities were appearing. This third shift really gained momentum from 1975. In 1981 *saa* paper became an export product when the first shipment of paper was sent overseas, to Japan. As demand increased so the perimeter of production spilled out from Ban Tonpao – the traditional heart of the industry – to other villages and districts, including Ban Pasakluang, the study site.

The raw material needed for the production of *saa* paper is the fibre stripped from the inner bark of *por saa*, the paper mulberry tree (*Broussonetia papyrifera*). *Por saa* flourished wild in the provinces of Chiang Mai and Chiang Rai, growing along the banks of rivers and streams and, until the 1970s, was abundant and collected as an open-access resource. As *saa* paper production expanded, however, so local supplies of *por saa* became increasingly scarce and the plant had to be sourced from other areas of Thailand and, more recently, from neighbouring Laos and Burma. *Por saa* today is grown on privately owned plantations, some in Laos and Burma, harvested by wage labourers, and sold in bulk to large users. Not only has the cultivation of the key raw material been outsourced (and commoditised), but there has also occurred an out-sourcing and de-centring of some aspects of production. In particular, the basic sheets of *saa* paper are now often made in districts and provinces beyond Sankamphaeng and Chiang Mai.<sup>4</sup> Local entrepreneurs concentrate their energies on transforming the paper into decorative products with greater added value, signing contracts with *saa* paper makers elsewhere to supply good-quality *saa* paper to their workshops.

As demand for *saa* paper increased, so various innovations were introduced to speed up the production process. In 1987, the Department of Industrial Promotion introduced a powered churning machine to do away with time-consuming manual pulverisation. In 1992, overseas buyers in Japan and the USA recommended that chemical dyes be used to standardise products, and advisors came to train producer families in their use. Later, the use of sodium

hydroxide in the boiling stage was promoted, reducing the time to process and prepare the inner bark from six hours to just one.

While such modern technologies and techniques may have increased productivity and standardised quality, there has been a recent resurgence in interest in ‘traditional’ methods of production, largely driven by demand from some quarters for items produced using traditional methods. As a result, some producers have divided their production processes into a ‘natural’ or ‘traditional’ approach, and a ‘chemical’ or ‘modern’ approach, to serve the demands of different markets. Manual pounding of the fibre makes for a rougher, more authentic product, while the churning machine produces a finer fibre and end product. Chemical dyes create standardised, vibrant colours for customers; natural dyes are not controlled for consistency, and the resulting product tends to be less vibrant but more ‘natural’.

Broadly, there are three categories of producer. The first consists of large-scale ‘factories’ where wage labourers are employed as workers (Illustration 9.3). These factories usually have product showrooms attached and are sufficiently large to manage their own marketing networks. The second type of operation consists of medium-scale producers who often have teams of freelance sub-contractors working for them, often based in the same village. Raw materials are provided to these sub-contractors who then produce an agreed product, for a set rate, at a pre-arranged date. These medium-scale producers



*Illustration 9.3 Saa paper ‘factory’.*

Photo by Jonathan Rigg

do not have showrooms and are not in a position to market their products; in the main, they sell to the larger-scale factories. The last group are the piecework producers. They have no contact with customers but work for and through the medium- and larger-scale entrepreneurs.

Producers build up skills and expertise in particular areas, ranging from sheets of decorative paper to various *saa* paper products, such as envelopes, boxes or notebooks. These producers are small-scale and organised at the individual or household levels; there is usually no division of labour. Generally, orders are received by the large-scale factories or entrepreneurs, both from abroad and from Thai-based buyers. Medium-scale sub-contractors take orders from the large-scale factories and then return to their village or sub-district to allocate or sub-contract this order to smaller groups or to individual households. The same network of links operates in the reverse direction, with the finished product being passed back up the production chain and with, in some cases, further stages in the production process being undertaken en route. Production networks can involve 300–400 households scattered across several districts. There is no gender division of labour in the main production activities and in some cases entire families are employed.

### **Reflecting on transformations in the craft industry: rural development and rural development paradigms**

Like many developing countries, there has been considerable debate in Thailand about the benefits of ‘appropriate’ development, most obviously reflected in discussions about the ‘sufficiency economy’. This has been closely associated with the King of Thailand and was included as the guiding philosophy for the *9th Economic and Social Development Plan (2002–2006)* (NESDB, n.d.) and also provided the inspiration for the *2007 Thailand Human Development Report* (UNDP, 2007).

In the popular imagination, the Thai handicraft industry would seem to tick many of the boxes of the sufficiency economy. It is spatially rooted in rural villages. It draws on traditional skills that link with Thailand’s craft traditions. Raw materials are locally sourced. The units of production are generally small and based on the household. There is a high degree of local ownership and control. And patterns of employment are flexible, permitting inter-locking livelihoods to emerge that productively link farm and non-farm activities. In this way, handicrafts can be regarded as representing a more locally rooted, relevant and appropriate form of development, and one that can be favourably contrasted with large-scale, fast-track, foreign-invested, export-oriented industrialisation. Even a brief reflection on the descriptive account above would lead one to question the veracity of such an interpretation of craft-making in Ban Mor and Ban Pasakluang.

The first area of debate relates to the spatialities of production: the ‘where’ of craft-making. At first glance, it does seem that production remains rooted in the village context. But this operates in a networked manner where

different stages in the production process are disaggregated between villages and over space. In the case of *saa* paper, the raw materials are often sourced from abroad and the paper itself is produced in other provinces in the north of Thailand. Mango wood is no longer readily available locally and is trucked in from distant provinces. The workforce in both villages, but particularly in Ban Mor, is largely non-local, while particular stages in the production process are divided between households within communities, and between villages and districts in the locale. While authenticity relies on a claim that products are based on traditional skills and technologies, the two crafts described here increasingly draw on and use non-traditional and non-local knowledge, equipment and skills.<sup>5</sup> Equally, the products themselves, even in the case of a traditional craft like *saa* paper, have metamorphosed and developed in line with patterns of demand and inspiration that lie beyond the local context. In both research sites, we discern a progressive separation in terms of knowledge, space and activity.

The handicraft industry in Ban Mor and Ban Pasakluang, therefore, reveals a mixed bag of spatial processes. We see a marked degree of concentration as products are made in particular villages or districts, so much so that these have acquired a national and even international reputation. At the same time, however, within the villages and districts production has become increasingly spatially disaggregated, with households and individuals specialising in certain stages in the production cycle. This spatial disaggregation is facilitated by the social networks that link households and villages, which provide a supporting base of social capital on which economic complementarities between settlements and households can be developed and sustained. That said, a de-skilling through mechanisation of some stages in the process (for example, mango wood lathing) has permitted non-specialist outsiders to be drawn into the social network. This spatial outsourcing is even more dramatic in terms of the raw materials of production. The sustainability of the localised handicraft industry in Chiang Mai is, therefore, achieved through strategic non-local links that tie village-based producers into non-local networks. Most dramatic of all, of course, is the geographical dispersal of sales. In the past sales were locally concentrated; today the vibrancy of the industry depends on its ability to entice foreign tourists and enter international markets. Paper produced in Ban Pasakluang is exported, for example, to Japan, China, the USA, Canada, Spain, France and Saudi Arabia while the whole area is marketed as a tourist destination to which international visitors are directed and channelled.<sup>6</sup>

The spatial restructuring of work in Ban Mor and Ban Pasakluang has also restructured the basis of inequality in the villages. Traditionally, the poor were the landless and land-poor, those unable either to meet their subsistence needs or generate a reasonable surplus from own-account farming. The changes set in motion by the expansion of the handicraft industry have created two new – and overlapping – classes of ‘poor’: the village industry wage labourer, and the migrant worker. Something akin to the old divide between

the landed and the landless has come to characterise the operation of the craft industry, with a poverty/prosperity separation between those families who have become handicraft entrepreneurs, and those who provide the labour for these businesses. The family members of the entrepreneurial class no longer engage with production *per se* but concentrate their time in marketing, design, accounts and management, and acquire the skills through education to pursue these occupations. Wage labourers and pieceworkers, some of them migrants, fill the production void, much as wage labourers used to work on the fields of the land-rich. The key divide in the villages, therefore, is no longer between the landed and the landless, but between employers and workers.

It is clear that in various ways, craft production in Ban Mor and Ban Pasakluang is being stretched out of its formerly rural location. But it nonetheless occurs in particular rural spaces, and it not only shapes those spaces but is, in turn, shaped by them. Table 9.2 reveals one aspect of this with regard to occupation, by age category, in the two villages. To begin with, it is striking how farming has become the preserve of older villagers. Of the 92 individuals whose primary activity was identified as farming, 67 (73 per cent) were aged 51 years or older. On the basis of this, we can say that a process of geriatrification of farming is well advanced. At the same time, handicraft-based employment was primarily the preserve of the middle cohort, aged between 31 and 50 years old, with some 57 per cent of handicraft workers falling into this category. Finally, a significant proportion (49 per cent) of those aged 17–30 years old were students. We suspect, based on our interviews, that comparatively few of these younger individuals will take up handicraft work and even fewer will consider farming as an occupation. In essence, what we see in Table 9.2 is an insight, at a particular point in

*Table 9.2* Age and occupational status, by proportion of respondents in each age category, 2005

	<i>Ban Pasakluang</i>			<i>Ban Mor</i>		
	<i>17–30 years</i>	<i>31–50 years</i>	<i>51+ years</i>	<i>17–30 years</i>	<i>31–50 years</i>	<i>51+ years</i>
Farming	0	15	40	0	10	27
Employee	11	27	4	23	23	11
Casual labourer	0	18	14	2	23	19
Student	36	0	0	25	0	0
Handicraft work	3	55	20	24	87	62
Trading and shop keeping	–	–	–	1	5	17
Total	50	115	78	75	148	136
Sample size		243			359	

*Source:* Authors' household survey, 2005.

time, into the livelihood transformations under way in Ban Mor and Ban Pasakluang. We see the tail end of smallholder ‘peasant’ farming, concentrated among a handful of ageing villagers. We identify handicrafts as a significant occupation for those in their middle years who have not benefited from Thailand’s educational revolution but who have chosen to pursue a non-farm activity, probably for aspirational as well as pecuniary reasons. And third, we also discern, in the degree to which younger women and men are continuing in education after secondary level, a likely future shift out of handicrafts, at least among ‘core’ village households.<sup>7</sup> This shift will further de-localise livelihoods as villagers engage with work in other spatial arenas and sectoral contexts.<sup>8</sup> Of course handicraft production may persist, but village labour will increasingly be supplanted – as is already happening – with non-local (and perhaps non-Thai) labour, while most core villagers who remain in the industry will increasingly take on managerial and marketing roles. The restructuring of the poverty/prosperity nexus discussed above will, we suspect, thereby become further accentuated as the separation between the ‘village’ as a community of people and the village as a site of production, widens. What Table 9.2 does not reveal is the degree of demographic turbulence in the villages. It does not pick up the many migrant workers who live in the villages, but are not part of the village community (a point also explored in the next chapter); not does it fully reflect the departures from the settlements as young people move elsewhere and establish their own households, separate from their natal villages.

### **Conclusion: continual revolution in a craft industry?**

Taken together, the changes sketched out above mean that the bases of economic and livelihood sustainability in Ban Mor and Ban Pasakluang have altered. The reliance on the wider national and international marketplace, on non-local raw materials, on higher levels of capitalisation, on migrant labour, on non-traditional skills and technologies, and on marketing and production systems that link villages into wider networks, have altered the vulnerabilities and dependencies that characterise work and life. The usual gloss given to handicrafts tends to underplay the degree to which such activities are undergoing continual revolution. The need to sustain supplies of raw materials for production (mango wood and *por saa*); the difficulty of maintaining a stable workforce; the requirement to invest in new technologies; the ease with which competitors can copy designs; the fickleness of the international market; and the more fundamental risk that some families might simply opt out as generational change and livelihood preferences squeeze handicrafts out of the equation – all these are at play. We do not, therefore, see in Ban Mor and Ban Pasakluang two villages partially shielded from the perturbations and demands of engagement with global production by their reliance on local raw materials, household labour, traditional knowledge and technologies, further insulated by the cushioning effect of semi-subsistence farming. Indeed, we

are left with the question as to what, in essence, comprises the difference between, say, the foreign-invested factories of the industrial estates of nearby Lamphun around 25 km away – to which many young people in the region are drawn – and the village workshops of Ban Mor and Ban Pasakluang. Certainly there are important distinctions that we can draw: in terms of location, size and capitalisation, levels of technology that are brought to bear, and ownership. But nonetheless there has been a narrowing of these differences so that village-based craft activities such as those described here are, perhaps, better viewed as a form of manufacturing and part of the mainstream industrial sector. The folksy image and their official presentation (in terms of how such activities are recorded in the official statistics) as somehow outside the mainstream, serve to obscure a ‘revolution’ in the handicraft industry.

All this challenges – but does not necessarily irredeemably undermine – one of the abiding characteristics of handicrafts: the place-specific and place-rich character of production. We suggest that commitment to place has been eroded and is on the verge of being compromised by a combination of the changing nature of handicraft work in the study villages, greater ease of mobility, and the changing priorities of villagers. The nature of the work also means that it is increasingly difficult to dovetail craft-work with agricultural work and, therefore, one of the key attractions of such work in the wider discourse of rural development is undermined, namely that farm and nonfarm should be integrated and combined in productive and complementary ways.<sup>9</sup>

The tendency to place craft production in an industrial and development category separate from the mainstream, linked often to a localist agenda and community development paradigm, plays down the development dynamic involved. What may begin as ‘local’ becomes increasingly non-local; what starts as traditional becomes modern; and what, at the outset, may be described as simple becomes more stratified, complex and hierarchical. This dynamic tends to take such local initiatives away from their founding characteristics. Moreover, and importantly, they are an outcome of success and vitality, rather than failure and stagnation. And yet, from the purist point of view this dynamic undermines many of the key attractions of such craft-based, village-centred, rural development.

## Notes

- 1 The ‘localism’ debate and agenda emerged during the 1990s as Thailand progressively integrated into the international economy, and was given a fillip during Thailand’s economic crisis of 1997–9. The ‘localists’ are a broad and unstructured association of NGOs, new social movements and intellectuals who have an agenda – quasi-nationalist in tenor – that emphasises self-reliance and self-sufficiency, local knowledge and community development and which critiques the country’s integration into the world economy, and globalisation more widely.



- 2 It is striking the degree to which households in Ban Mor embrace multiple activities to meet their needs, with an average of 3.7 income-generating activities per household (see Table 9.1).
- 3 It is hard to estimate accurately the number of migrant workers in Ban Mor. According to the former president of the TAO Council, approximately one hundred migrants were living and working in Ban Mor at the time of the survey in 2005. In addition, however, there were workers who based themselves in other, surrounding villages but came to Ban Mor daily for employment.
- 4 The provinces of Phrae and Naan are now both important producers of *saa* paper, and paper is also supplied to producers in the study sites from Lampang, Mae Hong Son, Sukhothai and Chiang Rai.
- 5 See Wherry (2006) for a paper on authenticity in Northern Thai crafts.
- 6 Tours are operated to Ban Tonpao and in 2005 the provincial government announced the promotion of a 'craft village tourist network', with the labelling of some villages in the network as 'model craft communities'.
- 7 By 'core' village households we mean those individuals and households who are not migrants to the village.
- 8 By 'delocalisation' we mean the spatial disembedding of livelihood activities from the spatial context of the village and its surrounding lands.
- 9 This broader debate is explored in Chapter 11.

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# 10 From farm to factory

## Village change in a rice-growing region

*Jonathan Rigg, Suriya Veeravongs,  
Piyawadee Rohitarachoon and  
Lalida Veeravongs*

### Introduction

In Asia, there has been a partial separation of factories from their assumed and traditional urban and peri-urban locations. In Indonesia, Malaysia, Vietnam, the Philippines and – in this instance – Thailand, there are large, export-oriented, often foreign-invested factories in areas that have traditionally been regarded as resolutely ‘rural’. The reasons for this are not hard to discern: primarily, cheap land and the availability of low-cost labour. With improving communications and government policies that have promoted the dispersal of industry to poorer (rural) regions, some of the impediments and disincentives for rural industrialisation have also been removed or ameliorated. The result, in Thailand, is that the industrial investment frontier has moved outwards from the metropolitan core (Bangkok), to the wider Central Plains region and Eastern Seaboard, in some instances leap-frogging to even more distant areas in the Northern (Lamphun), Northeastern (Korat) and Southern (Songkhla) regions.<sup>1</sup>

The novelty of the factory frontier extends beyond the driving forces behind the process – the investment decisions of commercial, often foreign firms, supported by national planning agencies. It is novel for two other reasons. First, because it is not physical space being colonised by people, but human (labour) and physical (land) space being colonised by capital. Second, the frontier is both a space of habitation by a core population (i.e. village residents) and, as we will show, a space of attraction and residence by a population of migrant sojourners from other areas of the country. Because of this, we have a series of parallel, but only partially intersecting transformations under way: spatial changes linked to the interplay of farming with non-farming activities and processes; agricultural changes associated with the economic, social (aspirational) and environmental trade-offs between farming and other activities; livelihood changes that arise from the widening opportunities available to both the core, resident population and the in-coming migrant sojourners; and social changes linked to transformations in inter-generational and inter-community relations. Some of these transformations have been explored and

elucidated in a separate paper (Rigg *et al.*, 2008); here we wish to focus particularly on the ways in which the village, as a settlement and a community, has been ‘deconstructed’.

The Central region of Thailand, including Bangkok and Bangkok’s extended metropolitan region, supports the bulk of Thailand’s export-oriented manufacturing enterprises. The Central Plains has also historically been the centre of Thailand’s export-oriented rice industry. We have in this region, therefore, a rich and complex spatial and economic mosaic of factories and farms. Ayuthaya province, 75 km north of Bangkok by road, was selected as the study site for the manufacturing frontier component of the project because of this duality in the province’s character: a past history framed in terms of its place at the core of Thailand’s ‘rice bowl’ (Molle and Thippawal Srijantr, 2003); and future prospects seemingly dictated by its position in Thailand’s industrialisation project. Ayuthaya is the site of several industrial parks and estates, and the province was also highlighted as a target province for industrial development in the Sixth National Social and Economic Development Plan (1987–1991). In mid 2005 there were 1425 officially registered factories in the province employing 192,584 workers.<sup>2</sup> This does not include many unregistered – and therefore unrecorded – workers employed in smaller units of production.<sup>3</sup>

## The research sites

The research was undertaken in two villages in the sub-district (*tambon*) of Khan Haam, Uthai District, situated around 15 km east of Ayuthaya city (Figure 10.1 and Table 10.1): Ban Khan Haam and Ban Khokmayom. The district is low-lying and much of the agricultural land well irrigated by the Nakornluang Irrigation Project. Some 87 per cent of land in the district is still classified as agricultural, and of this the great bulk is paddy land. The district is also the site of an industrial park and, in this way, has been drawn into Thailand’s export-oriented, foreign direct investment-driven, industrialisation drive. Since the mid 1980s there has been a radical reorientation of land-use within Tambon Khan Haam. Large areas of former agricultural land have

Table 10.1 Ban Khan Haam and Ban Khokmayom, background statistics

	<i>Tambon Khan Haam</i>	<i>Ban Khan Haam (village no. 1)</i>	<i>Ban Khokmayom (village no. 9)</i>
Households (2005)	2603	130	–
Population (2005)	5495	494	162
Primary household occupation	Farming – Non-farming –	20 110	38 124

Source: Tambon Administrative Organisation documents.

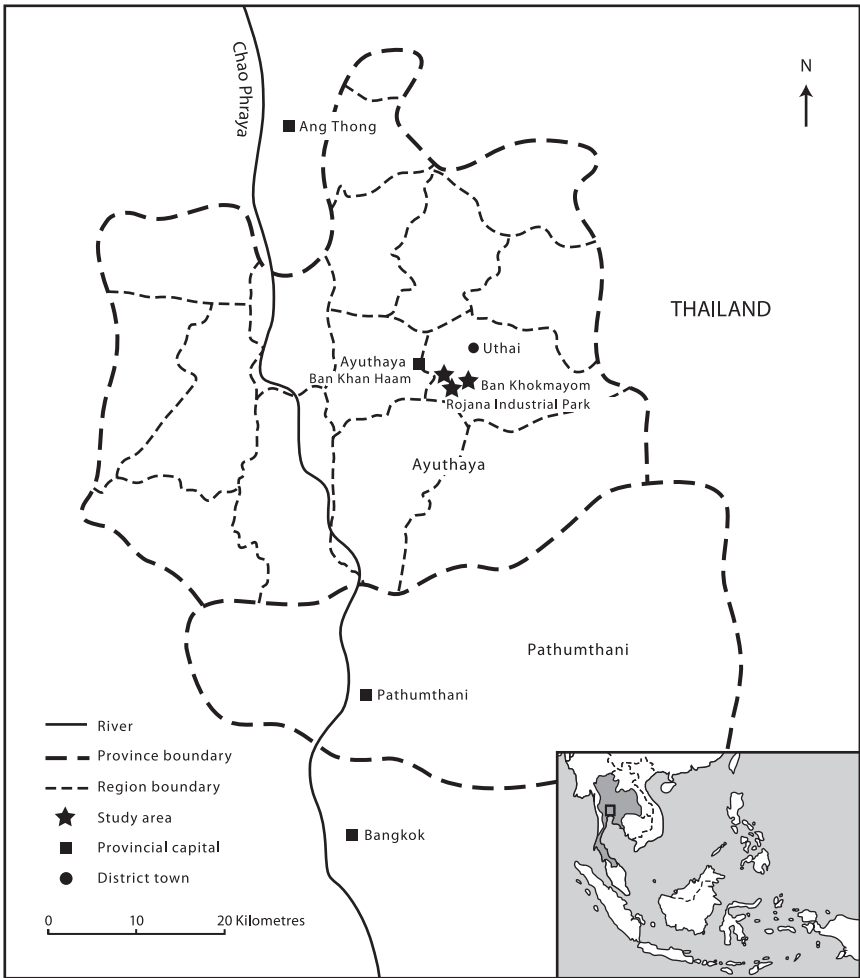


Figure 10.1 Map showing location of study settlements in Central Thailand.

been turned over to industrial uses, some 1200 rai (192 hectares) in total, with the result that agricultural land in the tambon is now a scarce commodity.

The Rojana Industrial Park is centred on Tambon Khan Haam, although its land area extends into neighbouring sub-districts. The park was established in May 1988 and, with successive waves of expansion, now covers an area of 4200 rai (672 ha). In 2005 there were 134 factories operating in the park. The bulk of these – 93 or 69 per cent – were Japanese-owned, and a further 21 (16 per cent) domestically (i.e. Thai) owned. These factories are engaged in many of the activities that are emblematic of the country’s industrialisation drive since the mid 1980s: electronics, automobile parts, car assembly, textiles and apparel, footwear, and food and food processing. In

2005 the park employed 43,410 workers. The majority of these workers – 70 per cent according to the park management<sup>4</sup> – were non-local, mostly from the poor Northeastern region of Thailand.

Ban Khan Haam and Ban Khokmayom (Table 10.1) were settled more than a century ago when they were rice-growing communities. Until the 1960s, economic and social life revolved around agriculture and, more particularly, rice cultivation. At that time only a cart track linked the villages with the main road to Ayuthaya, and during the rainy season, with extensive flooding, the settlements were often only accessible by boat. Surpluses of rice were sold to generate a modest cash income, but Ban Khan Haam and Ban Khokmayom were not too far from the subsistence, self-reliant ideal popularised in the work of Chatthip Nartsupha (1986; 1996; 1999).

Since the 1960s, and like other agricultural communities in Thailand, agriculture in Tambon Khan Haam has been squeezed by a range of environmental, economic and socio-cultural factors: fluctuating agricultural prices, especially rice prices; unfavourable input/output ratios; declining terms of trade; poor water management and continuing flooding; the seasonality of work; the declining fertility and productivity of the land; and the emergence of farming as a generally low-status activity. Their location close to an industrial park has provided the inhabitants of the villages, directly (through employment) and indirectly (through the other demands that the factories have generated), with a range of alternative occupations and activities. Ban Khan Haam and Ban Khokmayom were not selected for study just because we were interested in exploring how rural settlements become implicated in Thailand's regional industrialisation strategy, however. We were also intent on investigating how they become magnets for migrants from other places. Ban Khokmayom, particularly, has seen the construction of large-scale dormitories (*hor pak*) for factory workers, in so doing altering the essence of the village community. Ban Khan Haam, by contrast, does not support such dormitories. This is because the settlement is physically (spatially) constrained, limiting the scope for substantial building expansion – although it has, even so, been profoundly influenced by its location at the edge of the industrial park. While the current (and likely future) history of Tambon Khan Haam and the two study villages is in the process of being structured and mapped out by wider national and international policy and investment decisions, the past history of the sub-district and study villages is better illuminated by reference to the area's agricultural and farming roots.

The beginnings of the thorough-going incorporation of the study villages into the mainstream can be linked to the construction of a laterite feeder road, which passed close to the gates of the village monastery, Wat Khokmayom, in the mid 1970s. At that time, rice farming remained the main occupation of villagers and the non-farm jobs that did exist (mainly in construction) were undertaken post harvest, and arranged around the demands of agriculture. The limitations of farming, however, were becoming evident as households began to find it increasingly difficult to meet their escalating needs from just a

single crop of rice, and securing supplementary work during the dry season became increasingly important, even a necessity. The 1980s saw the emergence of greater employment opportunities for women as pioneer textile factories in and around Ayuthaya city opened up for business. The 1990s saw these nascent changes – which can be traced back to the 1970s – accelerate and deepen in terms of their impact, influence and ubiquity, propelled in no small way by the opening of the Rojana Industrial Park in 1988.

This event caused land prices to soar, from 3000–4000 baht per rai in the early 1980s, to 60,000–70,000 in the mid 1980s, rising to 2 million baht by the end of the decade, and 5–6 million baht/rai today (2006).<sup>5</sup> As the temptation to sell land which had remained in family hands for a century increased, so its potential for agriculture and to meet household needs was in decline. Managing water levels in paddy fields became difficult as drainage channels were blocked and carefully honed systems of water management compromised. Insects became more of a problem for farmers as expanding areas of idle land provided a breeding ground for pests. Local people also highlighted discharges from surrounding factories contaminating the water and land. Today, farming is the preserve of the very few.<sup>6</sup> Instead villagers work in the industrial park, in the service sector, and as housekeepers, government officers, teachers, and nurses.

In the discussion that follows we shift our locus of discussion between the sub-district (the tambon) and the two study villages (Ban Khan Haam and Ban Khokmayom), according to the topic being addressed. The village surveys provide data which are relevant to wider-scale transformations and processes and we use their experiences to reflect on this broader, sub-district, context. On occasion we combine the survey data from both villages to explicate, for example, what we see to be more generic patterns of livelihood change. At other times, however, and particularly when the discussion turns to the place and role of the migrant workers who live in Ban Khokmayom (but not in Ban Khan Haam), we more specifically highlight certain village-focused developments and concerns.

### **Spatial, sectoral and livelihood turbulence on the factory frontier**

Ban Khan Haam and Ban Khokmayom, and Tambon Khan Haam more widely, present a number of practical, methodological and conceptual challenges. These challenges arise from the nature of spatial, sectoral and livelihood change in the villages and the sub-district. To begin with, the past history of the area is agriculture-based and farming-centred. Its present and likely future are industry- and services-focused and non-farming oriented. In terms of practical development interventions, therefore, will the promotion of ‘rural’ development, in the traditional sense, have any traction and efficacy? Second, the core registered populations of the villages (and particularly Ban Khokmayom) are stable but the *de facto* population is significantly

higher and characteristically fluctuating. Methodologically, are we focusing on the social actors that comprise the resident population of the area, or on all those who happen to be residing in the geographical space of Tambon Khan Haam, irrespective of their origins and allegiances? And third, while the core population does not engage to a great extent in migration it is, nonetheless – and counter-intuitively – highly mobile. Conceptually, therefore, how do we think about populations which are, at the same time, becoming less likely to be migrants, but more likely to be mobile?

Until the 1970s, space, economy, society, identity and livelihoods – broadly speaking – mapped onto each other. As a researcher it would have been possible to ‘enter’ the village and, in so doing, to enter the social as well as the economic universe of the villager. The settlement (the spatial unit), the community (the social entity), the (village) economy, and (household) livelihoods would have been revealed as intersecting and overlapping in intimate and manifold ways.<sup>7</sup> Of course this can be stretched too far. The village was not, in a complete sense, a ‘world unto itself’ (Elson, 1997: 33), but the degree of interaction and interdependency with entities beyond the locale was distinctly limited, compared with today.

The progressive dissociation of the village in spatial, social, economic and livelihood terms since the 1970s is not just important because of its implications for how we understand the development process and appropriate development interventions, but also because of the implications it has for research methods and our conceptualisation of ‘the village study’. Focusing on the latter, it means that the entry point for the traditional village study – namely, ‘the village’ – is no longer quite so neat and unproblematic. The village is clearly still there, in the rural landscape, but as a container for study it is shot through. The population is in flux; the space economy consists of elements (such as the industrial estate) which are largely rooted and driven extra-locally; village livelihoods are dependent on activities in other spatial and sectoral arenas; even village identities have shifted from their prior self-identification as *chao naa* – rice farmers – to something more ambiguous.

The degree of turbulence is most strikingly illustrated when it comes to pinning down the population of Ban Khomayom. The Uthai district census bureau provides a figure for 2005 of 378. The tambon health station, for the same year, has records indicating that the population of the village is 1257. Based on our village survey and the number and size of dormitories in the village, however, we would put the *de facto* population of Ban Khokmayom at around 3000. This marked discrepancy is due to the fact that the migrants who throng the *hor pak* are not registered as *de jure* residents of the village, and so do not appear in the official figures. This presents both a practical, methodological challenge and a more conceptual one: rhetorically, how do we treat this shifting, migrant population when it comes to interpreting village change?



### Interpreting turbulence on the factory frontier

The dissociation of work from the study villages began, as noted above, in the early 1970s when a number of textile factories were established in Ayuthaya and a small number of local women took up jobs to supplement their incomes. These original textile factories have since closed in response to competition from other, lower-wage locations in Asia. Some more adventurous – or more desperate – women migrated temporarily to work in textile factories in Rangsit District, Pathumthani Province, while men left to work on the construction sites of Bangkok. But it was the 1980s that saw really marked structural and livelihood change in the tambon, associated with the opening of the Rojana Industrial Park.

The occupations of adults included in the survey clearly reveal how far farming has become not just a subsidiary occupation, but a relict one undertaken by a few intransigent die-hards: in the two villages, of the core population aged over 16 years old, just three individuals out of 508 reported that farming was their main occupation. Moreover, it was clear that this transformation from farm to non-farm was well advanced in the mid 1990s; some 30 individuals reported that farming was their main occupation ten years prior to the survey. Skilled, semi-skilled and unskilled (casual) work, very largely located outside the boundaries of the village, provided the main occupations for over half of adults in the two villages. Given that another fifth to a quarter remained in education, this means that of economically active adults the significant majority build their livelihoods largely beyond the settlement. Furthermore, the trading, shop-keeping, restaurant and ‘private’ (mostly dormitory) businesses of around another 10 per cent of adults – which are largely situated within the confines of the village – are sustained by the purchasing power of migrants residing in the tambon but who work in the industrial estate and other factories in the vicinity.

The factories of the Rojana Industrial Park not only provide employment for local people, but also act as magnets for workers from less prosperous areas of the country. While some factories provide on-site accommodation, most do not and the villagers of Ban Khokmayom particularly have exploited the demand for accommodation by building dormitories or *hor pak*.<sup>8</sup> In 2006 there were around 30 dormitories within Ban Khokmayom, ranging from small, single-storey affairs with just a handful of rooms, to grandiose, multi-storey structures with 50 to 100 rooms (Illustration 10.1). Many of these have attached toilet facilities and rental rates of 1500–2000 baht a month (US\$45–60). The tambon as a whole supports approximately 300 dormitories and Tambon Thanu – the neighbouring tambon – a further 70 (interview with Uthai assistant district officer, 5 June 2006).

The migrants who live in the physical space – but not the social space – of Ban Khokmayom are mostly from the Northeast of Thailand. Their clear and driving rationale for coming to Ayuthaya is to find work. This, in itself, is not new. There has long been a flow of migrants from the environmentally



*Illustration 10.1* Dormitory block in Ban Khokmayom.

Photo by Jonathan Rigg

marginal and economically impoverished Northeast to the richer Central Plains. Traditionally, however, these migrants worked in the rice fields of the region; now they migrate, and in much larger numbers, to work in the factories of the area. We found no migrant sojourners in Tambom Khan Haam who were employed in the farm sector, although in other areas of the province this is likely to be the case.

Traditionally, in rural village studies, land is the key production resource, the central marker of wealth and, by association, the key indicator – through its lack – of poverty. The centrality accorded to land remains a guiding principle in many studies, as Borrás *et al.* (2007: 1) make clear in the introduction to their book on land, poverty and livelihoods: ‘in many agrarian settings a significant proportion of the income of the rural poor still comes from farming . . . [and] hence lack of access to land is strongly related to poverty and inequality’. What we identify in this area of Ayuthaya, however, is a three-fold de-linking of land from its formerly central role: a de-linking of the village from its land resource so that much village land is no longer owned and operated by villagers; a delinking of livelihoods from land; and a delinking of inequality and poverty from land. Across the two villages, of the 133 ‘core’ households surveyed (i.e. excluding migrants to the villages), not one household head reported farming as their main occupation, and just three

out of 508 aged over 16 years were said to be engaged, primarily, in farming activities. In total, 39 households or 29 per cent owned land, but much of this was not located in the village, and an even smaller proportion – less than a fifth – was farmed by its owners. It was in the early 1980s, informants told us, that villagers began to sell land to outsiders, tempted by the simply enormous sums being offered. The two study villages may still be situated in a rural setting (Illustration 10.2), but much of the surrounding land is not owned by villagers, and still less is it instrumental in structuring livelihoods and explaining patterns of well-being.

It has been normal to understand the engagement with activities outside farming as linked to life-course transitions. Young people leave home to earn income and see the world as part of a rite of passage into adulthood. In time, it is assumed, many will return to farming and, if they have left home, to the village. It is certainly true that there is a generational pattern to employment in the study villages (Figure 10.2). But, we argue, this is indicative of era-level transformations rather than generational changes, with the non-farm/farm transition occupying a past transitional stage. Instead, we see working through the population and, we surmise, in quite a permanent manner, a shift from unskilled and casual employment to skilled and semi-skilled. But unlike the ‘return to farming’ argument, we do not expect there to be a similar ‘return to casual work’. This is a permanent, two-stage change in the complexion of the



*Illustration 10.2* Ban Khokmayom and Rojana Industrial Park.

Photo by Jonathan Rigg

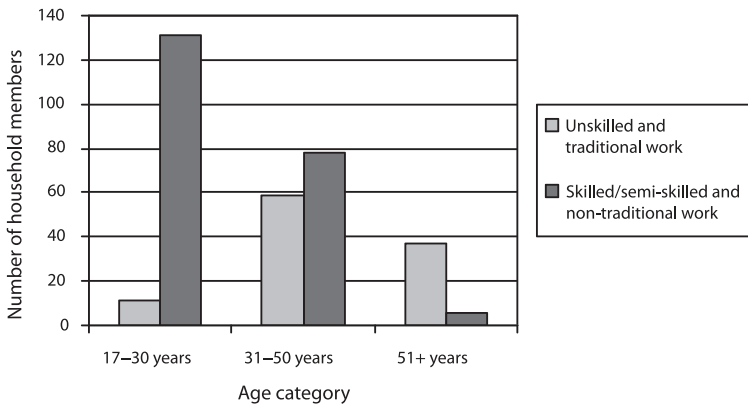


Figure 10.2 Age and occupational status of adult household members: Ban Khan Haam and Ban Khokmayom, 2005.

Source: Authors' household survey, 2005.

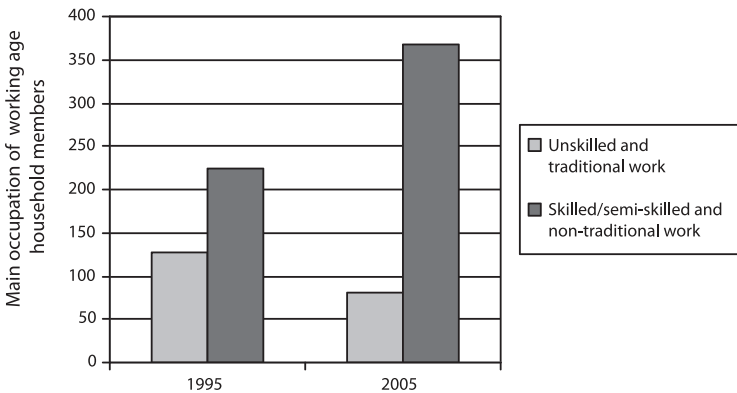


Figure 10.3 Formal/skilled and casual/unskilled occupations among working-age household members: Ban Khan Haam and Ban Khokmayom, 2005.

Source: Authors' household survey, 2005.

rural economy and rural livelihoods: First, from farm to non-farm (which occurred from the mid 1980s); and second, from un-skilled/casual to skilled/semi-skilled (which occurred from the mid 1990s) (Figure 10.3). The first of these may, to begin with, have reflected generational changes associated with the life-course. The second, though (and, we suspect, increasingly the first) are transformations which will resonate through the generations.

Of course, there is always the possibility that transitions/transformations may be thrown into reverse, particularly when national economic progress is replaced by stagnation or retrogression. This was anticipated, for example, with the onset of the Thai economic crisis of 1997 (Parnwell, 2002; Rigg, 2002). The economic attractiveness of farming can also shift, and the recent

(2008) surge in agricultural commodity prices may lead some people to return to farming or to realign the balance of their work between farm and non-farm. Thus the current trend of de-agrarianisation may shade into a degree of re-peasantisation given changing circumstances. Our view, however, is that such a shift ‘back’ to farming will not occur readily or easily, and only in markedly changed circumstances.

These changes in the complexion of livelihoods and the village economy have a bearing on the sustainability of the village and the nature and interplay between production and consumption. Formerly it was not just production that was centred – spatially – on the village, but so too were patterns of consumption. Through to the 1970s, the village was largely self-sufficient in food. The main source of protein was fish caught in local waterways, most households kept poultry, grew fruit and vegetables in their house compounds and rice, of course, was cultivated by almost everyone. Little was purchased.<sup>9</sup> From the 1970s, and progressively since, the villages have become dependent on external sources and supplies of food, and much else beside. Today, villagers buy goods from the local tambon market and from ‘mobile markets’ (*rod kab khao*), which are supplied from Bangkok’s wholesale markets, or they travel to supermarkets on the outskirts of Ayuthaya, such as Big-C, Tesco-Lotus and Carrefour. There has also been a proliferation of shops in the tambon, but these are convenience stores and air-conditioned minimarts selling pre-packed, and often pre-cooked foods, serving the needs of migrant workers and villagers who have disposable income but little disposable time. In addition to food, other aspects of village life have been de-localised, such as schooling and entertainment. Better-off villagers send their children to schools in Uthai district or Ayuthaya town, which are thought to provide a better education than the local school. Privately operated school buses pick children up each morning, depositing them back in the village at the end of the school day.

As noted above, Tambon Khan Haam – and particularly Ban Khokmayom – has become a node of attraction for migrants from other regions of Thailand. It is not, therefore, just that the original settlements are being prised apart by the movement of their core population into activities which are distant geographically and historically from the original community. It is also that the settlements themselves are being colonised by migrants from other places who hold no great allegiance to the village. Ironically, while these migrants may be playing a role in dissolving the village as a community, they are also, by their presence, helping to sustain the village as an economy and as a settlement. The demand for accommodation, not to mention other amenities and services from beauty salons and laundry shops to minimarts and food stalls, sustains the livelihoods of the core population, keeping them in the village even while – some villagers thought – their community was fragmenting.

Perhaps it is for this reason that while we identify a dissociation of the traditional village community, we do not see a dissolution of the village. Indeed the core village, on paper, seems surprisingly resilient. The majority of

core villagers (i.e. excluding migrant sojourners) were born in their village of residence or in the neighbouring district: 77 per cent and 66 per cent in Ban Khan Haam and Ban Khokmayom respectively. In addition, surprisingly few of the surveyed household members – less than a fifth – had engaged in migration involving an absence of three months or longer. These data would, at first sight, indicate that the villages are socially and economically quite ‘rooted’. Moreover, this is surprising insofar as Thai society has become increasingly mobile.

On closer inspection, however, the data reveal that mobility is taking on a new guise in the study sites. Rather than long-distance and long-term patterns of movement (i.e. migration), it is quite intense patterns of daily mobility that characterise the villages. Ease of travel coupled with a proliferation of local non-farm employment opportunities have permitted villagers to leave farming, without leaving the village. In the day before the survey, around one half of the 669 household members surveyed had left the village. Of these daily movements, more than 60 per cent were for work or business reasons (Table 10.2). The ease with which people can move relatively long distances, quite quickly, is significant, particularly when compared with the African cases in this volume. Factories in the Rojana Industrial Park provide buses to pick up workers daily up to a radius of 100 km; furthermore, many workers have their

Table 10.2 Mobility in Ban Khokmayom and Ban Khan Haam

		<i>Ban Khan Haam</i>	<i>Ban Khokmayom (core villagers)</i>
Household members who have engaged in long term migration (> 3 months' absence) (%)		14	21
Household members who travelled outside the village in the day before the interview (%)		43	58
Purpose of daily mobility (number of household members)	Work, business	79	148
	Social	17	46
	Education	30	52
	Total	126	246
Mode of daily travel (number of household members)	Private (motorbike, car, pick-up)	81	133
	Public or firm-provided transport	31	76
	Other	14	37
	Total	126	246
Household ownership of motorised transport (number of households)	Motorbike	51	72
	Motor vehicle (car, pick-up)	20	49

Source: Authors' household survey, 2005.

own, private means of transport (Table 10.2). Of the households interviewed, over 80 per cent owned a motorcycle, and 45 per cent a motor vehicle. There is, as one might expect, a correlation between daily mobility and age (Figure 10.4). The members of the cohort aged 0–16 years are primarily leaving the villages for purposes of education; those in the working age cohorts (17–30 years and 31–50 years) depart mainly for work-related reasons; while private errands are concentrated among those villagers aged over 30 years. It is the members of the oldest cohort (51+ years) who are least mobile.

It has been noted elsewhere that development studies and development economics have overlooked the role of mobility in re-working the nature and basis of rural development. As Dercon writes, ‘understanding rural poverty changes cannot naively focus only on what happens in the rural sector, or in agriculture . . . if development has to do with people moving between sectors, then this will often imply spatial movement’ (2006: 5 and 6). This experience from Ayuthaya takes the argument one step further in its reconsideration of the bases of rural vitality and development. In Ban Khan Haam and Ban Khokmayom there has, indeed, been a very pronounced shift from farm to non-farm in people’s livelihoods. This has been accompanied by marked structural changes in the village economy. There is also a high intensity of mobility. But, at least for the core households in the villages (i.e. excluding migrants), this has not involved leaving the village. The colonisation of rural space by industrial activities, coupled with an efficient transport infrastructure

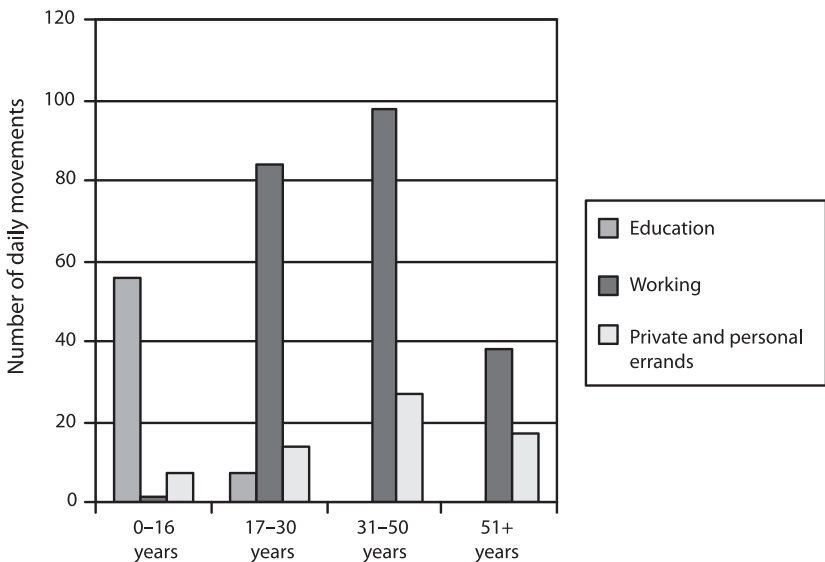


Figure 10.4 Daily mobility and purpose on the day prior to the survey: Ban Khan Haam and Ban Khokmayom, 2005.

Source: Authors’ household survey, 2005.

and high levels of ownership of private means of transport, has enabled the village economy and rural livelihoods to be fundamentally re-worked without the spatial movements of people that Dercon highlights.

### **Conclusion: re-making the Thai rural economy and rural livelihoods**

The implications of structural and spatial changes in the Thai economy for rural livelihoods have been noted elsewhere (see Molle, 2003; Molle and Thippawal Srijantr, 1999; Rigg, 2001, 2006; Rigg and Sakunee Nattapoolwat, 2001). In large part, this work has focused on the way in which people have been attracted (or propelled) out of the village and farming, by opportunities in other spheres and/or by a squeezing of traditional, rural livelihoods. This has necessitated, in many instances, long-term migration, denuding the village of its human resource base and leaving it 'bereft' of young people of working age. Outstanding questions that have not yet been adequately explored include first, whether these trends indicate a permanent transformation in the character of the rural economy and rural livelihoods; and second, how these changes are restructuring the bases of poverty and prosperity in the countryside.

The discussion in this chapter has contributed a slightly different view to the debate over de-agrarianisation in Thailand and, more broadly, in Asia. But before generalising from the experience of Ban Khan Haam and Ban Khokmayom it needs to be emphasised that the villages are atypical in their sheer proximity to the Rojana Industrial Park and, in the case of Ban Khokmayom, in its emergence as a 'dormitory village'. Nonetheless, we highlight as a conclusion two key issues that, we believe, have wider relevance.

To begin with, there is the issue of the broad-level and multi-faceted 'dissociation' of the study sites. Thompson has discussed 'dissociation' with reference to the Malay-peasant complex in his study of Sungai Siputeh (Thompson, 2002, 2003, 2004, 2007). His main concern is to explore dissociation *from* the village of young men (particularly) who have been drawn into the modern economy, creating a degree of separation from their traditional identity and identification as *orang kampung* (people of the village).<sup>10</sup> In the cases of Ban Khan Haam and Ban Khokmayom, we are interested as much in the dissociation *of* the village as in dissociation *from* the village. There is, quite clearly, a relationship between the two insofar as the village is not just a settlement – a place – but a community which is socially and culturally 'made'. That said, while the social and cultural may frame the meanings that villagers attach to 'their' village, there are also framing structures that are economic and material: patterns of land ownership, the presence of *hor pak*, idle land, the shift from water to road transport, polluted waterways, the gates and barred windows that protect villagers and their new-found wealth from the strangers who throng the village, beauty salons and minimarts, motorcycles and, of course, the factories that lie just across the fields. We have



sought to describe this multi-faceted dissociation to highlight the degree to which a formerly quite tight association, or nesting, of space, economy and identity has become fragmented by the intertwined processes of social, economic and spatial change.

The second theme that the chapter has explored is that of mobility. As noted above, there is a relative abundance of studies of migration in Thailand.<sup>11</sup> Most of these emphasise migration and the associated spatial and temporal dislocation of people from the village. In this chapter, however, we note the degree to which daily mobilities rather than migration characterise the study sites, as villagers, of all ages but particularly those of working age, move rapidly and frequently across a vital space of economic and social interaction.<sup>12</sup> The Central Plains region of Thailand, the so-styled 'rice bowl' of the Kingdom, has become functionally part of the extended Bangkok metropolitan region. Villages such as Ban Khan Haam and Ban Khokmayom have been drawn directly into this process, not as reservoirs of cheap labour, but as sites of industrialisation and metropolitanisation. Seductively, the village is still to be seen and studied; it exists as an administrative unit and as a physical entity. But in many other respects the village has become an historical artefact, replaced by a settlement with a population who owe little allegiance to the land and who have become dependent on work ultimately shaped by forces that lie beyond the area.

## Notes

- 1 For Thai Board of Investment (BoI)-sponsored industrial estates, see [http://www.boi.go.th/english/how/industrial\\_estates.asp](http://www.boi.go.th/english/how/industrial_estates.asp).
- 2 Source: [www.industry.go.th/min/intro/province/Ayuthaya/web/factorydata.com](http://www.industry.go.th/min/intro/province/Ayuthaya/web/factorydata.com).
- 3 The total population of the province at the end of 2004 was 740,000.
- 4 Interview with the Rojana Industrial Park officer, 3 November 2005 and the General Manager of the Rojana Industrial Park Company, 16 February 2006.
- 5 The baht:US\$ exchange rate for much of the 1980s and 1990s was 25 baht = US\$1. The Thai economic crisis in 1997–98 led to a sharp decline in the value of the baht, bottoming out at 56 baht = US\$1 in January 1998. In June 2008 the exchange rate was US\$1 = 33 baht.
- 6 Note that the fieldwork and survey were undertaken before the recent steep increase in the value of rice (and other agricultural commodities).
- 7 Because of the nature of the landscape in the Central Plain, villages tend to be strung out along waterways rather than nucleated in the way that they are in the Northeastern region and much of the North.
- 8 We use the word 'dormitory' because these rooms and buildings are generally known as *hor pak* – usually translated as dormitory. However, they are not dormitories in the sense that several people live together in the same room. The rented rooms are for single migrants or couples and newer *hor pak* have attached toilet facilities.
- 9 Amyot, in his study of village Ayuthaya undertaken in 1969–1970, writes: 'Food consumed in the household is usually that which is found locally such as fish, vegetables from the family garden, and of course rice. Little money is spent on food so that meat and other vegetables not produced by the household are bought only in small quantities' (Amyot, 1976: 80).

- 10 ‘Dissociation, in my view, however, does not signal an end to social and cultural structure or a moment in which “anything goes.” Rather, it is a moment in which the prevailing social forces and subjects acting within the constraints of those forces rework the landscape of identity, doing so at points of structural dissociation and indeterminate articulation, such as the points at which Malayness, masculinity, migrancy, and class intersect in Malaysia’ (Thompson 2003: 431).
- 11 See, for example, Esara (2004), Jones and Sirinan Kittisuksathit (2003), Jones and Tieng Pardthaisong (1999), Mills (1997;1999), Rigg (1989), Singhanetra-Renard (1999), Tomosugi (1995).
- 12 In fact, the villages reveal two forms of movement: the migration of people to the area from other parts of Thailand; and the mobilities that take both these migrants and the core population out of the village on a daily basis.

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# 11 Handicraft and manufacturing frontier

## Transforming livelihoods, re-shaping settlements

*Katherine V. Gough and  
Jonathan Rigg*

### **Introduction**

Artisanal craft production has long been an important activity for many rural households, often complementing but at times taking precedence over agricultural activities. While this production was initially for home consumption or sale locally, increasingly handicrafts produced in rural areas have found their way to national and international markets. The potential benefits of rural industrialisation have been recognised by many national governments, especially in Asia, who see rural industry as having the potential to absorb surplus labour while reducing migratory pressure on cities (Tacoli, 2008). Thus handicraft production is being supported by national governments and manufacturing industries are being encouraged to relocate to rural areas.

The three core research chapters comprising this section of the book have analysed rural industrialisation in Thailand and Vietnam with a particular focus on changes in handicraft production. Each chapter emphasised, in different ways, the degree to which ‘rural’ and ‘urban’ and the activities, lives and lifestyles that characterise these spaces are being unsettled by the transformations under way in the study sites. This leads to some quite fundamental questions about the virtuous cycle of farm–nonfarm relations and how development interventions are structured and targeted in such development spaces. It also leads us into a consideration of the constitution or make up – both material and non-material – of the spaces that we label ‘rural’ and ‘urban’. In this short chapter, therefore, we reflect on these wider issues in the light of the experience of the study villages in Thailand and Vietnam.

### **Virtuous cycle of farm–nonfarm relations**

A long-standing debate among scholars of rural development has been whether there is a virtuous cycle of farm–nonfarm relations, or whether the relationship is insignificant or, even, negative. For proponents of rural industrialisation, one of its key attractions is the notion that it can create the

momentum for a self-sustaining process of rural development, helping to maintain the integrity of rural communities, boost agricultural output, ameliorate rural poverty, and sustain rural livelihoods.

In this virtuous cycle of farm–nonfarm relations, rising agricultural incomes create a demand for consumer goods and services, helping to drive rural development by stimulating the rural non-tradable sector (including handicrafts), which helps to absorb un- and underemployed workers (surplus farm labour) in the countryside. This, in turn, further boosts demand for farm output while contributing cash for investment in agriculture, thus propelling yet additional increases in agricultural production (Timmer, 2007; Briones, 2006; Evans, 1992; Evans and Ngau, 1991; Grabowski 1995; and Haggblade *et al.*, 1989). This model has two particular attractions for rural development practitioners. First, it generates pro-poor growth by expanding employment and incomes among the rural poor(er); and second, it is geographically focused in the countryside, narrowing rural–urban inequality, thereby acting against the forces promoting urban bias, and helping to prevent the dissolution of the village as a social and economic unit.

The notion, however, that there is a synergistic relationship between farm and nonfarm has been vigorously challenged. Hart, for example, regards such a view as ‘deeply suspect’ (1996: 246). In particular, she disputes the basis on which the farm–nonfarm multipliers are calculated, contesting the assumption that agricultural growth will lead to the expansion of the local nonfarm economy. Instead she postulates that much of the increase in income generated by agricultural growth will leak out of the immediate vicinity into the wider national economy (Hart, 1996: 251–2). Furthermore, there are cases where rural industrialisation has challenged the agricultural sector, and rather than stimulating increases in productivity is causing just the reverse effect.

How does the evidence from the craft villages in Thailand and Vietnam contribute to this debate? Certainly, rural incomes have been boosted, although largely through nonfarm employment rather than increases in agricultural productivity. Indeed, agricultural productivity has been compromised by nonfarm work both directly through extracting the rural population from farming and, indirectly, by contributing to the declining status of farming as an activity and a way of life. Only in the Vietnamese embroidery village do we see any real evidence of inter-locking livelihoods emerging, where farming remains an important component in most households’ livelihoods and where handicraft production is shaped around the demands of farming. In the Vietnamese lacquerware village and in the *saa* paper and mango wood-craft villages in Thailand, craft work has become full-time, with a degree of specialisation, separation of tasks, investment in technology, and use of hired – sometimes migrant – labour.

Why have these differences among craft villages emerged? The most obvious explanation lies in the nature of the handicraft itself. Embroidery is a craft which has changed little over the centuries. Although the markets for the final products have changed over time, the nature of the work remains the

same. The embroidery is still done by hand, using skills that take considerable time to learn and are passed down through the generations, usually from mother to daughter although previously men also engaged in embroidery work. Some younger women are continuing the tradition but the craft is increasingly seen as being a last resort for uneducated people who cannot access any alternative income-generating activity. The nature of embroidery work means that it can easily be combined with agriculture – the handicraft will not spoil if it is left while the crops are tended. For the other handicrafts studied, the production process has become ‘modernised’ – and in some cases partially mechanised. The subsequent division of labour means that the owners can increasingly specialise in putting the final touches to the handicrafts and in the development of new products and marketing leaving the, at times dangerous, production to paid workers. As the profits which can be made from handicraft production rise, and as the nature of the production process becomes more inflexible making it harder to stop and start, so less time is spent on agricultural work. Craft work of this type appeals to young people and many of the craft producers no longer see themselves as farmers but as entrepreneurs running a business.

Much the same sequence of farm–nonfarm interactions can be seen operating in the factory villages of Ayuthaya in Thailand. The demands of such work entail working a full day, leaving little or no time to engage in agricultural work. Young people generally view factory employment, or service-related work supporting factory workers, as more attractive and amenable than agricultural endeavours. In addition, the environmental consequences of factories locating in such a rural context have knock-on effects for farming. In such a context, it is hard to see agriculture as a motor for rural development, and any synergies between farm and nonfarm are more imagined than real.

A central assumption of the virtuous cycle of farm–nonfarm relations is that the two facets of the rural economy are co-situated. Our studies, however, highlight the manner in which craft and factory production relies on – and is sustained by – wider links and associations. Handicraft production can no longer rely on local sources of raw materials as the supplies run out (such as local wood sources) or as cheaper/better alternatives which are produced elsewhere can be bought (such as chemical dyes). Increasing demand for the products requires the use of waged, often migrant, labour who tend to do the most menial tasks which can sometimes be dangerous to their health. Handicrafts have found their traditional markets eroded through competition from non-local substitutes; plastic and aluminium containers have replaced terracotta pots, manufactured paper has replaced *saa* paper, and posters have replaced embroidered pictures. To survive and expand, it has been necessary to connect handicrafts with non-local demand and adapt the products themselves to new markets. *Saa* paper is used to make stationery attractive for gifts, colourful lacquerware adorns many a mantelpiece worldwide, and small pieces of embroidery embellish trinkets and garments. What may have started life as rural activities, using rural inputs, populated by (local) rural people,

and serving a largely rural market, has been transformed. Today, the links between locality and activity are fractured. This argument about the partial disconnection of rural industries from their rural location is, of course, even more pronounced when it comes to Ayuthaya's factory villages. Such factories may be situated *in* the countryside, but they are not *of* that space in any profound sense.

On balance, and based on the Thai and Vietnamese case studies in this section of the book, we are sceptical about the assumption in some quarters that there is a virtuous cycle of farm–nonfarm relations. This view is pervasive. The 2009 *World Development Report*, for example, argues that the evidence suggests that 'growth in the nonfarm sector will stimulate growth in agriculture as inputs become cheaper, profits are reinvested in agriculture, and technological change allows better farming methods' (World Bank, 2009: 200). While there may be cases where such a set of links and interactions do reveal themselves, the chapters here indicate that demand from rising incomes in the nonfarm sector did not spill over into agriculture, and that farming was therefore not invigorated by the process, indeed often the reverse.

### **Forces shaping rural and urban spaces**

As highlighted above, the associations and networks that sustain 'craft' activities in northern Thailand and northern Vietnam, and which have initiated factory-based rural industrialisation in central Thailand, cannot be understood without viewing their current vitality and future sustainability in wider regional, national and international terms. Hence, the forces that are shaping rural and urban spaces operate at a range of spatial scales.

In the case of the Ayuthaya villages in central Thailand, it is their links with foreign-owned factories in the vicinity and the associated ties with migrant sojourners from other, poorer rural areas of Thailand which are critical in understanding the processes under way. These, in turn, need to be understood in the context of Thai regional development policies which have promoted and supported the spill-over of industries from the core Bangkok metropolitan region to surrounding provinces (of which Ayuthaya is one), and further afield. The character of the handicraft settlements in northern Thailand, although they may lie within the ambit of the local provincial capital of Chiang Mai, is being shaped by global networks of buyers rather than by dynamics which are rooted in the immediate provincial context. In addition, the emergence of Chiang Mai as an important node in Thailand's international tourist industry further links the growth and sustainability of the industry with non-local networks and flows. In Vietnam, the introduction of economic policies under *Doi Moi* provided the impetus for many handicraft producers to expand their businesses and increase their export trade. But while national and provincial bodies have introduced policies that are supportive of craft production, at the local level (commune and district) there is more reluctance to implement appropriate policies. Local policies tend to

be piece-meal in fashion often aiming to levy the producers, which can then restrict their development. Much needed environmental control and labour protection policies for some types of craft production have been lacking, severely impacting on the living and working conditions in the settlements. The fortune of the handicraft producers is thus dependent on local and global demand, national policies, and the particularities of the handicraft in question.

If we shift the focus of our discussion from the activities or industries themselves to the social contexts in which they occur, we identify an equally profound set of transformations operating at the settlement level. The increasing need for waged labour has resulted in migrants moving into the settlements, often housed in rudimentary conditions and sometimes sleeping in the workshops themselves. These migrants often owe little allegiance to the places where they sojourn, leading to a dissociation of the settlement as a community. More tangibly, profits from the craft production have been invested in improved homes. In Vietnam this has resulted in multi-storey dwellings built side by side, resembling those found in nearby Hanoi. In Thailand, large villas have been built which would not be out of place in the suburbs of Chiang Mai. Services have been brought into the settlements which are now reached by paved roads and supplied with electricity, water and drainage. The inhabitants are less engaged in farming and increasingly in specialised handicraft production tasks either as employers or employees. In the handicraft settlements in Thailand and Vietnam we are seeing, as Thompson proposed in the context of Malaysia, rural villages becoming *de facto* 'urban' spaces in terms of production, consumption and social interaction (Thompson, 2004; 2007). Bramall, writing of rural industrialisation in China, highlights another aspect of this process of urban 'becoming':

Any rural area which is successful is re-classified as urban, and its urban status determines how it is viewed for analytical purposes. In consequence the rural–urban income divide never closes: how could it when any area which successfully industrialises is automatically re-classified as urban? The reality is that 'urban' and 'rural' are not used to denote location, but rather as pseudonyms for 'successful' and 'failed'.

(Bramall, 2007: 323)

Essentially, we are suggesting that the transformations under way in the study settlements in Thailand and Vietnam are not manifestations of the incorporation of the villages into an extending urban fabric, nor are they reflections of the power and influence of urban areas over rural spaces and lives. Rather they are indicative of a diverse and diffuse set of shaping processes that operate at varying scales. In the same way that Shen and Ma (2005) have called our attention to the varying drivers of urbanisation in China, in which they distinguish between urbanisation from above and urbanisation from below (or *in situ* urbanisation), so we would highlight the



need to see rural change being shaped by an array of forces with multiple locations and sometimes conflicting or divergent outcomes. The discourse of 'rural' development is seductive but, in our view, often tends to divert attention from a set of important dynamics associated with societal change, settlement dynamism and sustainability, population turbulence, and evolving cultural preferences.

## **Conclusion**

A strong case can be presented that none of the study villages in the three core chapters that comprise this section of the book is rural, in the classical sense. They may have histories that are rooted in the rural context, they may even resonate with a particular vision of rurality, but in terms of livelihoods, occupations, aspirations, social mores, consumer preferences and modes of living they have a character which is more urban than it is rural.

While there are clearly links between the villages studied in the three foregoing chapters and their respective urban centres, we do not see this association as being the critical one in shaping the transformations we have identified. They are associated – in the main – neither with peri-urbanisation, nor with rural–urban linkages/interactions, but rather with links, networks and associations that span other geographical scales. While we would like to avoid simply relegating all this to 'globalisation', it is clear that the regional and national contexts are not sufficient to adequately explain the transformations under way. Just as we have suggested that the study villages are not rural settlements, notwithstanding their location in a rural context, so we also propose that the processes that are shaping these transformations are situated in a range of settings stretching across the national space economy into the international context.

The nature of the transformations under way in the settlements studied in Thailand and Vietnam highlights the need for development interventions to be carefully targeted. While handicraft production can boost rural incomes, it is not without social and environmental costs. The nature of the handicraft being produced will partially determine whether farm and nonfarm activities will continue side by side or whether the nonfarm activities will come to dominate livelihoods. The latter is not necessarily negative but must be considered as a possible outcome of the processes that have been outlined in the three chapters. More than anything, what the chapters demonstrate is the need to be aware of the entry points that we privilege when it comes to viewing, interpreting, analysing and assessing the processes under way. Specifically, we can view rural development through the lens of an individual's career, a household's livelihood, a settlement's sustainability, an industry or sector's vitality, or through the lens of regional development. The position we adopt – essentially, the viewpoint we take – often provides a very different assessment of the processes under way and the values that we assign to them.

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# 12 Rural–urban transitions in Tanzania’s northwest mining frontier

*Deborah Fahy Bryceson and Rosemarie Mwaipopo*<sup>1</sup>

## Introduction

The recent discovery of minerals and precious stones, particularly gold and diamonds, has catalysed extraordinary growth spurts in previously unpopulated or sparsely populated rural areas of Tanzania. Small-scale miners have migrated in large numbers to the mineral strike sites to try their luck. Their early makeshift settlements have expanded into jumbled concentrations of rural and urban modes of livelihood, metamorphosing from remote ‘deep rural’ to pulsating urban centres of goods and service provisioning. In many cases, these population growth spurts, however dramatic, have been short-lived and have dissipated as the extractable ores become less accessible to the small-scale miners. This inevitably leads to the question of how sustainable mining-led urbanisation is over time.

Tanzania, which has for decades been seen as an impoverished agrarian country, is metamorphosing into a significant diamond and gold producer on the African continent over the last two decades. Small-scale miners have played a central role in this transformation (Chachage, 1995; Mwaipopo *et al.*, 2004; Fisher, 2007). This chapter traces mining as a ‘frontier livelihood’ and ‘mining-led urbanisation’ in two northwestern Tanzanian settlements: Maganzo, a long-established diamond-mining settlement in Shinyanga region and Nyarugusu, a gold-mining site in Mwanza region which experienced its first significant rush in the 1980s. Our interest focuses on the unfolding phases of livelihood and settlement transformation following the original population surge connected with mineral discovery.

The first section of this chapter briefly reviews Tanzania’s post-independence urbanisation trends prior to the influence of mining, before focusing on the background history of mining and the character of the study sites. After outlining the growth and migration patterns of the two settlements, the agricultural foundations of the settlements, the demographic and economic trends associated with mine-led urbanisation and the sustainability of urban settlements subject to mineral booms and busts are considered in turn.

## **Tanzanian urbanisation trends**

Colonial and post-colonial government policies during the twentieth century officially discouraged urban growth for the most part. The rigid colonial racial three-tiered pyramid, in which Africans were farmers, Asians were traders and Europeans were administrators was dismantled after independence. Thereafter the country's formal employment structure expanded to absorb educated and skilled Africans as well as many uneducated migrants. Most of these jobs were concentrated in the national capital, Dar es Salaam.

In 1971, the Tanzanian government embarked on a decentralised government administration system, which entailed sending government staff 'to the regions', twenty in total. The transfer of trained staff and government funding for the expansion of regional service infrastructure headquartered in the small up-country towns designated as regional capitals triggered rapid secondary town growth which exceeded Dar es Salaam's rate of expansion.<sup>2</sup> During the economic crisis-ridden years of the 1980s, these towns continued to grow twice as fast as Dar es Salaam (Potts, 2006). Their intermediate size between rural village and capital city offered the advantage of combining both rural and urban lifestyles (Bryceson, 1993).

Meanwhile, mining-led settlements have sporadically appeared since the colonial period when artisanal and small-scale miners converged in the several mineral-rich parts of the country, such as Lupa in Chunya, despite mining being seen as an illegal activity. This trend continued after independence, even though small-scale mining was still prohibited by law. As the country's economic liberalisation policies unfolded, the controls were eased. By the mid 1990s, mineral fever was in the air. Villagers adjacent to valuable mining deposits, who had engaged in mining for some time, were joined by sizeable numbers of migrants eager to get rich. Rising mobile phone usage in the new millennium accelerated the rate and numbers rushing to newly discovered mineral-bearing sites. They arrived within days rather than weeks or months after the mineral's discovery. Small villages of a few thousand people could quickly balloon towards settlements of over 20,000 people. The northwestern part of the country, notably Mwanza and Shinyanga regions, led the nation in population movement of this nature.

## **Tanzanian mining and settlements of rapid population growth in the northwest mining frontier**

In this study, we deliberately chose urbanising mining sites that are 'middle-aged' with respect to the timing of their migration rush in order to trace the course of the settlements as their mining potential declines. The following outlines their origins and population growth.

***Nyarugusu gold site***

The history of Nyarugusu's gold wealth began when a pastoralist herding his cows saw gold flecks attached to the roots of a fallen tree uprooted by a strong wind. Mining was prohibited under President Nyerere's agrarian socialist policies. Nonetheless, some village men surreptitiously mined on a limited scale. During the economic crisis conditions that followed Tanzania's 1979 war with Idi Amin's troops in nearby Uganda, increasing numbers of artisanal miners began drifting towards Nyarugusu. The area was still relatively forested, and the migrant miners lived in a village, some three kilometres from the mining site where housing was available. As more miners gathered, relations with the villagers became tense. Local residents accused the miners of stealing food crops from their fields and endeavoured to expel them. Pushed closer towards their mining sites in Nyarugusu, the miners constructed temporary shelters in what is now Nyarugusu's core settlement area. Thereafter in 1983, the Tanzanian government became increasingly lenient towards small-scale mining.<sup>3</sup> Word spread about Nyarugusu's gold and young men flocked to the site from all over Tanzania and neighbouring Kenya. Pits were only three metres deep at the time and gold was relatively plentiful and pure. For security purposes, a local militia group (*sungusungu*) based on traditional age-grade segmentation was established with elected leaders.

By the mid 2000s, the number of claim owners was over 100. There is a division of labour in gold mining in which claim owners usually do not get directly involved in production. A wide range of capital and labour arrangements entwine the interaction between 'claim owners' who have obtained Primary Mining Licences (PMLs)<sup>4</sup> and take roughly 30 per cent of the mined ore, the 'pit holders' who lease the site from the claim owner and organise production taking about 40 per cent of the mined ore after paying for the production costs like timber, explosives, food and medicine, and the manual labourers who dig the gold and receive the remaining 30 per cent of the mined ore to divide amongst themselves.

Gold mining is generally considered the work of young men (*kazi ya vijana wa kiume*) because it requires the exertion of a great deal of physical strength. By the early to mid 1990s Nyarugusu's surface deposits were gone. Miners had to build shafts with wooden supports increasingly more deeply (40–60 metres).<sup>5</sup> It is at this stage that the small-scale artisanal miners began facing considerable technological difficulties. Ordinary agricultural irrigation pumps are not up to the task of pumping out the water that is found at these depths. The necessary equipment for deep-shaft mining is beyond the financial means of most small-scale miners, preventing further safe exploitation of the mine.

During the past decade, Nyarugusu's dwindling accessible gold deposits prompted many miners to move on to gold sites in neighbouring regions and beyond. Small-scale mining, however, continues at Nyarugusu and

occasionally there are localised gold strikes, which reward the efforts of shaft-digging miners (Illustration 12.1). Nyarugusu's present population is estimated by the settlement leadership to number 3625 households comprising about 20,000 people. There is no way of knowing how many people were resident in Nyarugusu at its peak in the early 1990s. Informants claimed that Nyarugusu's population rocketed to 35,000 whereas the 1988 population census registers only 5968. Mwaipopo *et al.* (2004) estimated the current population of Nyarugusu ward at 27,000 people. Given the magnetic force of gold, the ethnic composition of Nyarugusu's population is now very diverse, representing over 25 different ethnic groups. Throughout Nyarugusu's gold fever, a large segment of the population has farmed, producing staple foodstuffs for local consumption.

***Maganzo: small-scale diamond prospecting in the shadow of a large-scale mine***

Maganzo<sup>6</sup> began as a camp for people looking for employment in the large-scale foreign-owned<sup>7</sup> Williamson diamond mine at Mwadui which started operation in 1940. For two decades people were forced to shift their settlement here and there around the perimeter of the large mine because of the



*Illustration 12.1* Gold production in Nyarugusu.

Photo by Deborah Fahy Bryceson

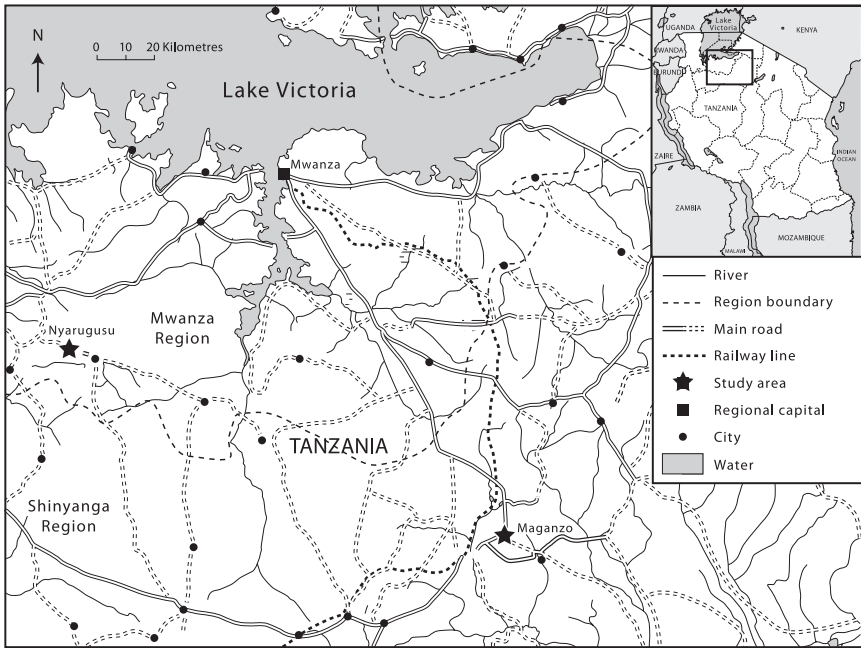


Figure 12.1 Map showing location of study settlements in northwestern Tanzania.

suspicion that their proximity to the mine facilitated diamond smuggling. Eventually in the late 1950s, a permanent settlement at Maganzo was established under the leadership of the local chief. In effect, Maganzo functioned as a labour market for those seeking work in the Williamson diamond mine and as a service centre for the African mine employees.

During the national villagisation campaign of 1974, Maganzo residents faced renewed pressures to move from their settlement. Rumours about diamond smuggling abounded. Blame was focused on ‘wabeshi’, stealthy intruders linked to the disappearance of Williamson’s sand tailings.<sup>8</sup> These charges were used as justification for evicting people from their homes. Residents sent an appeal to President Nyerere who came to their rescue and ordered that Maganzo could remain intact as a settlement.

Maganzo continues to exist in the shadow of Mwadui mine. At the time of the last census in 2002, Maganzo had 2256 households and a population of 12,180 people, which is likely to have been a gross undercount in view of the miners’ attempt to maintain a low profile given the suspicion with which they are regarded by the authorities. In fact, Maganzo is the more outwardly urban of the two settlements. There is a central market surrounded by a cluster of shops. In 2005 the trunk road to Shinyanga town bordering the settlement was completed. A petrol station is strategically sited on the main road. Furthermore, Maganzo is on the national electricity grid, enabling

wealthier residents to have access to relatively cheap electricity. The settlement's core has four well-laid out streets and several long-established houses. There are clear signs of wealth differentiation reflected in the housing. Located in a semi-arid area, the acute shortage of water in Maganzo causes residents to harbour resentment against Mwadui mine's piped water supply, which they have been requesting permission to tap into without success.

Previously, Maganzo's commercial role in the shadow of Mwadui attracted some Tanzanian Arab settlement. With the government's privatisation policies from 2000 onwards, some of the land that residents had been using for diamond mining was allocated to large-scale Tanzanian commercial mining interests, significantly reducing the area in which local people could mine. Residents of the settlement have diversified occupations spanning trade, diamond mining and agriculture. The latter two now co-exist incompatibly amidst a growing shortage of land. People are torn between using their land for farming to provision their household's basic food needs as opposed to digging for diamonds on their land.

Small-scale diamond mining entails digging a pit about two to three metres in diameter and from one to two metres deep during the dry season. The potentially diamond-bearing sand from the hole is placed to one side of the hole until the rainy season comes and the hole fills with water (Illustration 12.2). The miner can then 'wash the sand' with a sieve pan which sifts the worthless grains of sand away from the diamonds that are caught in the sieve's mesh. Not only does diamond mining interfere with the time a miner



*Illustration 12.2* Diamond production in Manganzo.

Photo by Deborah Fahy Bryceson



might otherwise be engaged in planting, cultivating and weeding crops, but also the pit digging destroys the fertile topsoil needed for agriculture. In many areas, people have dug holes only two to three metres apart. This creates a landscape with a peculiarly barren moon surface appearance that requires careful circumnavigation to traverse the area. In this way Maganzo has increasingly lost its agricultural potential, forcing residents to become progressively more reliant on food purchase.

### **Migrant households and livelihood change**

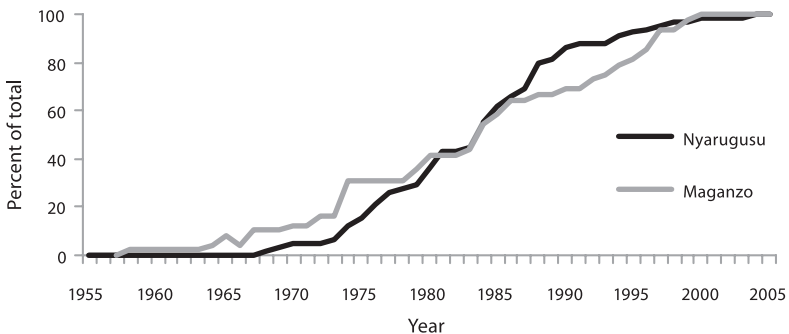
In both surveyed settlements, the overwhelming majority of household heads were migrants. Table 12.1 summarises the demographic characteristics of our survey households showing that 26 per cent of Maganzo's household heads (HHH) were native-born whereas in Nyarugusu the number was only 7 per cent. Figure 12.2 shows the year of arrival of household heads in the settlements.

The motivation for moving was primarily economic. Mining in Nyarugusu (46 per cent) figured prominently but the 'search for better opportunities' held

*Table 12.1* Comparative household demographic statistics by settlement

<i>Household Characteristics</i>	<i>Nyarugusu</i>	<i>Maganzo</i>
Number of households sampled	73	72
Average age of HHH	45	51
Mean year of migrant household head's move to settlement	1982	1983
Migrant households (%)	93	74
Female-headed households (%)	5.5	12.5
Household size	7.1	6.7
Household sex ratio	114	113

*Source:* Tanzania mining, Author's household survey, 2005.



*Figure 12.2* Migrant household heads' year of arrival.

*Source:* Authors' household survey, 2005.

sway in Maganzo (34 per cent). Significantly mining ranked only fourth in Maganzo preceded by trade. In this locality, the pursuit of diamond mining does not have the same stamped pattern as gold strikes.

The average household size was 6.9 members, which is above the national and regional averages (Tanzania, 2002). A surplus of males was reported as numerous sons compared with daughters, especially in Maganzo. While it is not impossible that households attracted to mining are fortuitously better-endowed with male offspring, it is more likely that survey respondents reporting household composition tended to exaggerate familial ties of dependency with the term 'sons' for young males in the family. Traditionally, as well as during the socialist period of the country's development, the hiring of wage labour by households was not sanctioned, so the unusual number of sons is likely to be masking types of tied labour relationships other than that of offspring.

Migration to Maganzo has been fairly steady. The presence of diamonds in the area has been known since the 1940s. Hence, diamond mining has been a livelihood activity there for a long time. Located in a semi-arid area, settlement in Maganzo for agricultural purposes has never been very attractive. Rather the trade and service nature of the settlement in the shadow of Williamson mine has been significant. Maganzo represents the intermediate case of mixed trade and mining that contrasts with the extreme of Nyarugusu's gold rush character. Furthermore, the data indicate that migration to Maganzo has levelled off during the 1990s as the shortage of land impinges on people's way of life. Certainly this was confirmed by open-ended discussions with Maganzo residents who expressed the view that a deepening land constraint was worsening their livelihood prospects.

### **Proliferating divisions of labour catalysed by mining activities**

Studies of livelihood in rural Africa to date have stressed the highly fluid and diversifying nature of work over the past two decades (Ellis, 2000; Bryceson and Bank, 2001). Processes of de-agrarianisation and de-peasantisation underline these tendencies (Bryceson, 2002a; 2000b). Tanzanian rural livelihood diversification has been widely documented (Bagachwa, 1997; Madulu, 1998; Bryceson, 1999). However, during the process of livelihood change, field researchers often encounter difficulties in gaining an accurate report of its occupational composition. This is because rural informants' definitions of their work are intricately related to their cultural identity and way of life rather than being simply income and subsistence-begetting activities.

In Tanzania, and especially in Sukumaland, rural people have traditionally seen their agro-pastoralist activities as fundamental to their ethnicity as Sukuma. Thus, answers to questions about one's occupation have to be treated with caution since the knee-jerk reaction of both rural men and women is to state that they are farmers. Therefore, it is meaningful when people report non-farming primary occupations. This indicates that not only

are they spending a large segment of their time in non-agricultural activities but they are also not feeling socially constrained to admit it. Table 12.2 shows that approximately 30 per cent of the surveyed Tanzanian heads of households identified as non-farmers. Nyarugusu had the lowest incidence of non-farmers, most of whom were miners. Non-farming in Maganzo was mainly split between miners and traders, whereas in Maganzo trading was most prominent. Added together, we find that those who state farming as a primary or secondary occupation account for 87 per cent of all household heads: in other words, only 12 per cent of household heads report being entirely distanced from farming.

Agriculture remains the most important activity accounting for over 50 per cent of reported activities in Nyarugusu. In Maganzo, declining land availability restricts household heads' reliance on agriculture to less than 40 per cent, although it is nonetheless highly valued for its contribution to household food needs. Mining, however, is the strongest secondary activity in both sites indicating that the gains that can be had from mining are well appreciated. Figure 12.3 shows the weighting of household heads' work activities in terms of time spent. One sees that the mining settlements' occupational structure is relatively restricted, although Maganzo has some trade and skilled work given its more strategic location on a main road relative to Nyarugusu.

The unpredictability of mining returns dictates that miners generally actively engage in other livelihood activities, particularly agricultural production, or rely on the cultivation of other family members be it their wives, children or extended family members. Even migrant miners who would have no prior claim on land try to devise ways and means of accessing land through mine pit holders or local villagers in order to obtain a reliable daily food supply regardless of the vagaries of their cash flow for food purchases. In Nyarugusu, roughly 50 per cent of staple foods, usually maize, cassava and

*Table 12.2* Stated primary and secondary occupations of household heads (% total HHH)

<i>Occupation</i>	<i>Nyarugusu</i>		<i>Maganzo</i>		<i>Both</i>	
	<i>First</i>	<i>Second</i>	<i>First</i>	<i>Second</i>	<i>First</i>	<i>Second</i>
Farmer	76	16	64	17	70	17
Miner	17	41	9	34	13	38
Trader	1	14	10	10	6	12
Unskilled worker	–	–	–	1	0	1
Skilled worker	6	6	16	6	11	6
Formal employee	–	–	–	–	0	0
None	–	23	1	31	1	27
Total	100	100	100	100	100	100

*Source:* Authors' household survey, August 2005.

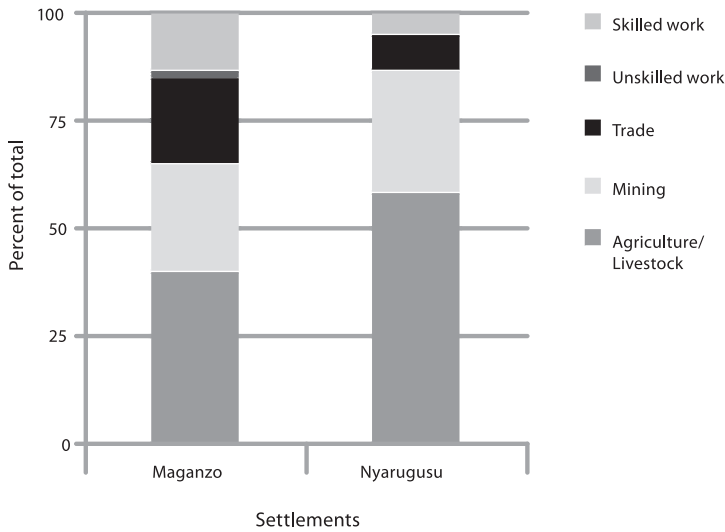


Figure 12.3 Household heads' livelihood activities.

Source: Authors' household survey, 2005.

Notes: Agriculture/Livestock – plant and animal husbandry and cattle-keeping

Mining – diggers using their manual labour to extract and process minerals and mine pit holders.  
Trade – small-scale traders dealing in commodities of an agricultural, mining or general nature or traders with premises.

Unskilled worker – self-employed involved in trades requiring no special training including security guards, brickmakers, masons, water carriers, etc.

Skilled worker – self-employed engaged in activities that require some instruction or education, notably drivers, mechanics, carpenters, plumbers, medics, tailors, etc.

to a lesser extent rice, are supplied by own farm production. Fruit and especially meat are mainly purchased. Maganzo, on the other hand, provisions less than a quarter of its staple food needs. As an old mining settlement hemmed in by large mining claims, almost half the residents are landless forcing them to become highly dependent on purchased food (Figure 12.4). Many have decided to dig up their farmland to search for diamonds. Environmentally, valuable topsoil is destroyed, undermining the productive capacity of the land.

### ***In situ* urban transformation**

Until recently, rural migrants moved to urban areas to gain the perceived advantages of urban livelihoods and lifestyles. Our case study sites represent settlements where rural residents have experienced *in situ* urban transformation. The frontier livelihood pursuits of mining and trade have triggered extremely rapid population growth and a transitional process in which both original and migrant residents have recourse to rural and urban livelihood activities as well as a spectrum of rural to urban styles of living and modes of

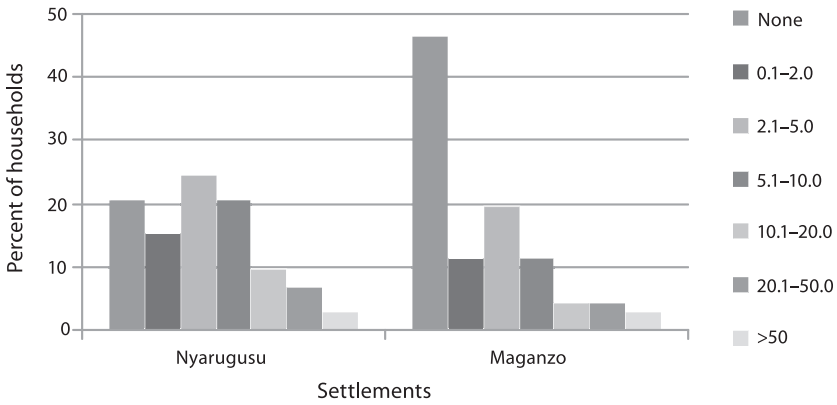


Figure 12.4 Size of household land holdings (acres).

Source: Authors' household survey, 2005.

consumption. As centres of rapid in-migration, these settlements have served as 'destinations of desire'. The vast majority of migrants anticipated enhancement of their material lives through migration to these localities and in the process their locational identity altered increasingly towards an urban outlook.

When asked in the survey whether they lived in a rural or urban settlement, 65 per cent saw themselves as urban dwellers. Interestingly Nyarugusu had the highest per centage (84 per cent). This may be because there is a strong desire on the part of the leadership and population to keep the momentum of urban development going despite the out-migration of gold miners. They are lobbying heavily for Nyarugusu's role as a service and business sector and are demanding official urban status and a good road. In Maganzo, 65 per cent of the population saw themselves as urban which is not surprising given its long standing as a centre of in-migration and its urban infrastructure and wealth differentiation.

In East Africa, it has been widely assumed that early stage urbanisation is primarily characterised by male migration. This was no doubt the case in the first waves of migration to Nyarugusu and Maganzo. However, after two decades both of these settlements' sex ratios became more balanced.

The 15-34 years of age cohort comprises those who are not only the most economically active but also the most likely to migrate and engage in new 'frontier' livelihoods, notably mining and trading. They are, in effect, the dynamo age group which reflects the economic viability or otherwise of the settlement. Quite different patterns emerge in our two settlements with respect to this age group (Figure 12.5). Nyarugusu has had higher proportions of its population in the 15-34 age group: 34 per cent in 1978, 40 per cent in 1988 but then as the mining fortunes of Nyarugusu have declined this age

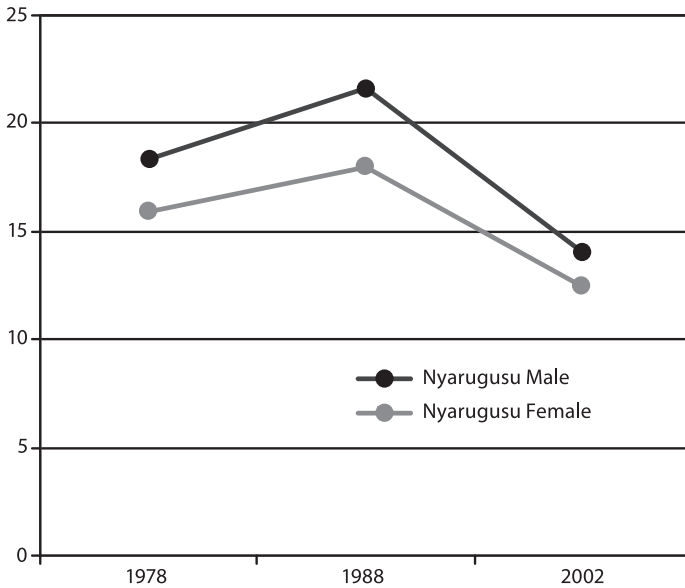
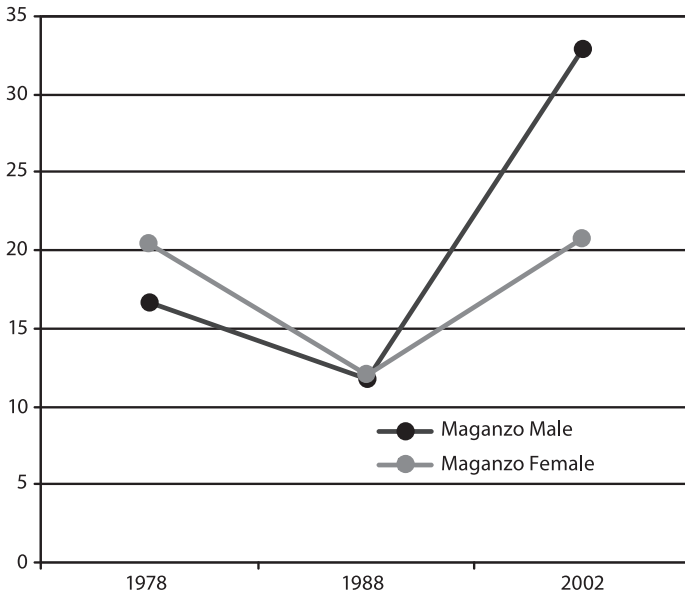


Figure 12.5 Percentage of total population aged 15–34 in 1978, 1988 and 2002.

Source: Tanzania Population Census, 1978, 1988 and 2002.

group has contracted to only 27 per cent. In all three periods, males have superseded females, implying that mining remains the central livelihood strategy for the settlement.

Maganzo has had a more peculiar pattern, displaying a high degree of volatility and a reversal of gender dominance over time. In 1978 the per centage of population in the 15–34 cohort was 37, plunging to 24 in 1988 and rising to 54 in 2002. In 1978 women superseded men, which could tally with the settlement acting as a recreation and service sector in the shadow of the Mwaui mines. In 1988, the male and female population ratio of the 15–34 age group was balanced but had declined as a per centage of the total population whereas in 2002, females and especially males in this age group had risen as a proportion of the settlement's total population.

Although both settlements are expanding in size, only Nyarugusu is edging towards a balanced gender ratio in the dynamo age group. In the process, Nyarugusu is 'ageing'. Maganzo achieved a gender balance in 1988 as its dynamo generation shrank in size, then developments took a surprising twist. The dynamo age group rapidly expanded with a heavy male bias. Based on our survey results and interviews, this can be explained as a result of distress rather than urban take-off. Maganzo experienced increasingly acute land and water constraints, which led it to take on more of the character of a diamond-mining work camp rather than an urban residential location. Mining began encroaching on residents' land allocation for subsistence agriculture and housing. Male migrants were being recruited into residential households signalling the intensification of mining and a proportional decline in the female and child population normally expected in the composition of rural households. The large number of landless households in our survey cannot be interpreted as a sign of proletarianisation along the classic Western model of industrialisation and urbanisation. Instead it indicates that Maganzo's depleting resource base, notably its lack of water, is unlikely to allow it to follow an urban growth trajectory for much longer, in the absence of piped water supplies from De Beers or Shinyanga town.

### **Urban momentum of frontier settlement growth: spark versus sustainability**

How durable are Nyarugusu and Maganzo's urban economies as small-scale mining reaches technological investment barriers? The answer to this question is difficult given the enormous volatility of population movement to and from the settlements and the lack of reliable inter-censal population data. We do not know what the two settlements' peak populations were. It is clear that both settlements are still growing at rates that supersede the Tanzanian national average,<sup>9</sup> even though residents report that the settlements are not as vibrant as before, and, in the case of Nyarugusu, heavy male out-migration to other 'fresher' mining settlements has become a salient tendency over the past decade. Nonetheless, both Maganzo and Nyarugusu continue to be centres of

net in-migration. In view of the dwindling returns to mining, there are clearly other factors attracting migrants.

The available evidence suggests that, in addition to better health and education services compared with rural villages, both of these settlements offer their populations other livelihood opportunities, notably trade in Maganzo and farming in Nyarugusu. The farming prospects of Nyarugusu might be seen as negating rather than maintaining an urban mode of existence, but this is debatable. Farming in Nyarugusu not only offers a vital subsistence fallback and cash income from crop sale, but it also represents speculative land investment. Large-scale international investors are interested in the gold deposits that may lie deeper than those currently being worked by small-scale miners. Many Nyarugusu households stand to gain by staying put rather than pulling up stakes and moving on to new gold rush settlements, exercising shrewdness about property values. In so doing, they are exhibiting an urban commercial outlook rather than tribal attitudes towards land linked to ethnic identity and community solidarity. This would suggest that Nyarugusu residents are more urban than rural in their outlook. Generally, people in mining areas of the country are increasingly applying for claims in areas where there may be gold, even though they do not have funds to mine the area. They are speculatively waiting for a mining company to offer to buy their claim (or for pit holders to start mining), knowing that claim owners can sell their mining titles to large-scale commercial mining companies, whereas the legally stipulated compensation to farmers with land titles is very limited.<sup>10</sup>

Maganzo has the smallest population but is visually more urban with its prominent permanent housing, superior physical infrastructure, broad array of livelihood activities and residents' heavier reliance on purchased food and petrol, electricity, kerosene and charcoal as opposed to firewood. However, Maganzo has reached a critical population density *vis-à-vis* its land and water resources. It now experiences acute shortages of both which impinge on the livelihood viability of its residents, particularly that of the poor. Residents' reliance on purchased food is regretted rather than boasted about.

Even more than Nyarugusu, the continuation of Maganzo's urbanisation process depends on positive external stimuli, namely the settlement's functional relationship to Williamson mine, and its access to services such as food supplies and water. Currently Maganzo lies along a water pipeline constructed from Mwanza to Shinyanga town, which is projected to serve the adjacent Williamson mine compound and Mwadui township. However, even if it gains access to this piped water, Maganzo still faces a shortage of land for its mining and agricultural activities. The diamond pit digging that has already taken place is very extensive and destructive to the topsoil. Some households are experiencing a livelihood crisis. Maganzo's female and child population is shrinking relative to the male adult population, as evidenced in the changing age–sex distribution of Maganzo's inter-censal population. Family units are finding it difficult to fulfil their basic needs for food.

The livelihood viability of the settlement revolves around its commercial



trade potential if and when artisanal diamond mining in Maganzo becomes untenable. Its location on a major highway and proximity to Mwadui mines and Shinyanga town 16 km away should stand it in good stead in terms of being close and readily accessible to a large consumer population. Shinyanga has a far larger urban population with superior services and shops, which may compromise Maganzo's commercial potential. Thus, although outwardly Maganzo is more urban in appearance than Nyarugusu, its urban foundations are similarly fragile.

## **Conclusion**

Where does rapid mine-led urbanisation lead? Clearly small-scale mine-led urbanisation is not an urban developmental path that can be replicated everywhere nor does it have a very long-term trajectory where it does occur. Over time the issue of the exhaustible supply of this catalysing resource arises. Its non-renewable nature causes slowdowns or even contraction of the resident population, but the process of urbanisation that it has set in train can and often does continue. Small-scale mining populations have an erratic boom-and-bust character. They, however, catalyse internal growth processes based on service provisioning and trade and generally maintain the settlement's agrarian activities as long as they can. Small-scale mining generates a variant urbanisation tendency – reliance on immediately accessible mineral wealth that is extracted, processed and exchanged for means of subsistence.

In summary, there are three main tendencies in mine-led urbanisation that are decisive for a settlement's long-term urbanisation. First, small-scale mining is generally dependent on local farming of staple food supplies which nonetheless over the medium- and longer-term mining competes with agriculture for land, eroding the rural agrarian base and initiating urban purchased consumption patterns as demonstrated in Maganzo. Second, mining settlements generate multiplier effects in the economy through their purchasing power. Commercial trade and recreational services like bars and prostitution bolster local employment. Third, the population expansion related to mining catalyses public service provisioning of schools, healthcare, post offices, churches, police, etc. Such services, which are generally superior to those in the surrounding countryside, attract migrants, even if mining activities are declining. By contrast, recreational services may serve as population deterrents. Prostitution and high levels of drinking are associated with a higher incidence of HIV/AIDS or household instability that can subtract from rather than add to population totals.

The gold- and diamond-mining rushes of the past two decades mark a profound economic as well as cultural change for Tanzania's northwest region. Labour absorption is the motor force of livelihood diversification and urbanisation. Despite its capricious nature, small-scale mining can ultimately lead towards sustainable urban settlement but time will tell if Nyarugusu and

Maganzo specifically can get beyond the temporal delimitations of small-scale frontier mining.

## Notes

- 1 We wish to pay tribute to the intellectual contribution and inspiration of Professor Ndalawa Faustin Madulu. He coordinated the fieldwork upon which this chapter is based and was involved in the data analysis up to his untimely death in May 2007. We are grateful to Jesper Bosse Jønsson for his criticisms and advice on an earlier draft of this chapter.
- 2 It should be noted that initial urban growth rates tend to be exceptionally high because they are starting from a low population base. See Potts (2006) for a discussion of this effect.
- 3 Chachage (2006) notes that the most significant policy change paving the way for small-scale mining appeared in the Mining Act of 1979 which vested ownership of all mineral rights in the state but gave local miners the scope to peg claims without direct state involvement. This was followed by the Small Scale Mining Policy Paper of 1983, which encouraged Tanzanians to engage in small-scale mining alongside other income-earning activities. Surprisingly, this policy preceded government economic liberalisation measures by several years. Chachage interprets it as the government's timely reaction to the rising price of gold in the world market.
- 4 Under the Mining Act of 1998 (United Republic of Tanzania, Ministry of Energy and Minerals), a PML gives the claim owner the right to mine an area for five years, which can be renewed or transferred to another named holder.
- 5 The small-scale mining process involves the blasting of the underground rock, which is then hauled up and first crushed by hand and then machine-crushed. Once the rocks are pulverised, the sand is washed and sieved to separate the gold particles from the sand. The tailings are piled to one side to be sieved again at a later date. Mercury is used to amalgamate the gold dust.
- 6 Located in the Kishapu district of Shinyanga region.
- 7 The Tanzanian government now has a 25 per cent share and De Beers 75 per cent.
- 8 Sand tailings are waste soil and sand remaining after panning or other forms of diamond extraction. They have potential value given that some diamonds may have evaded extraction.
- 9 The national annual inter-censal growth was 2.9 per cent with high regional rates: 3.3 per cent in Shinyanga and 3.2 per cent in Mwanza.
- 10 Personal communication from Jesper Bosse Jønsson, April 2007.

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# 13 The dynamics of the gold mining industry and its effects on settlements and livelihoods in Wassa West District, Ghana

*Paul W.K. Yankson*

## **Introduction**

According to conventional wisdom, countries that possess rich mineral deposits are fortunate. Such deposits are assets which form part of a country's natural capital. Mining is the key that converts dormant mineral wealth into various forms of capital that directly contribute to a nation's economic development. Despite the intuitive appeal of conventional wisdom, a new view of mining has emerged over the past two decades that questions the positive relationship between mineral extraction and economic development (Davis and Tilton, 2002). The issue, therefore, is how to ensure that mining contributes as far as possible to economic development and poverty reduction not only for a country as a whole, but also for the localities which are directly affected by the mining. The negative socio-economic and environmental effects of mining, particularly surface gold mining, which can counteract much of the positive effects of mining, need to be considered (Sarin *et al.*, 2006).

The mineral sector has played and continues to play an important role in mineral-rich countries worldwide. Ghana currently is among a few mineral-rich African countries with the most attractive geological and investment environments (Akabzaa and Darimani, 2001). Since the mid 1990s this has attracted a number of large- and medium-scale gold-producing companies which are based in the United States of America, Australia and South Africa and are involved essentially in surface-mining operations in the country. A number of small-scale nationally owned and registered mining companies and a large number of gold-mining 'gangs' operating illegally are also practising surface mining in Wassa West District. This has led to loss of farm lands and is partly responsible for the increased level of migration, especially by young people, to the main urban centres in search of waged employment, particularly in the mining industry.

This chapter examines the effects of the boom in gold mining on Wassa West District in terms of settlement growth, economic activities, livelihoods and related issues such as unemployment and poverty. Trends in the gold-mining industry in Ghana are presented in the next section, followed by a

brief description of Wassa West District and the rationale for the choice of study sites. The sections that follow examine the key issues that this chapter addresses.

### **Trends in the mining industry**

Ghana's mining industry is dominated by gold production. After a long period of decline in the minerals and mining sector, the country has witnessed massive investment in the sector, particularly in gold mining. Since 1986 the country has been able to attract over five billion US dollars of direct investment into mineral exploration and the establishment of new mines, as well as the expansion and the rehabilitation of existing mines (Barning, n.d.). Output and exports of mineral products have also increased considerably. The share of gold in total export earnings from mineral exports stood at about 89 per cent in 1980 and rose to 96 per cent in 1998 (Twerefou *et al.*, 2007). In 2000, mining was the major export earner, as it contributed about 5.5 per cent to gross domestic product (GDP) and provided about 6 per cent of total national employment (Aryee, 2002, quoted in Twerefou *et al.*, 2007: 2). Many of the gross export earnings for gold have come from the large-scale foreign mining companies.

Wassa West District, which occupies about 10 per cent of the Western Region, plays a key role in the production of gold in Ghana and of virtually all the known minerals in the country with the exception of bauxite. All the major companies in gold, manganese and diamond production are located in this district. Of the 18 large-scale foreign mining companies operating in Ghana, at least 7 are located in Wassa West District (Agbesinyale, 2007). The district also has over 200 registered medium- and small-scale gold- and diamond-mining companies. Wassa West District also harbours a very large number of artisanal or unregistered small-scale mining groups, locally referred to as *galamsey*. In terms of employment, it is estimated that the large-scale gold-mining sector provides direct employment for approximately 15,000 workers, while about 300,000 people are estimated to be directly engaged in small-scale mining (Hilson and Potter, 2005). There are, however, no meaningful operational and other forms of linkages between the two scales of gold-mining operations in Ghana (Larsen *et al.*, 2009).

Gold mining has been carried out for several centuries in Ghana, long before modern gold mining in Wassa West District (Dickson, 1969; Hilson, 2002). Modern gold mining started in the Tarkwa area in the 1880s (Dickson, 1969). There has been a boom in gold mining in the district since the implementation of the Economic Recovery Programme and the Structural Adjustment Programme in the early to mid 1980s. The rapid rise in exploration and excavation activities by large-scale mining companies has resulted in the displacement of thousands of the previously undisturbed subsistence small-scale or artisanal gold miners (Akabzaa and Darimani, 2001; Hilson, 2001, 2004; Hilson and Potter, 2005) and increased the incidence of conflict

and of contests over land between the small- and large-scale mining operations (Aubynn, 2009). As a result, artisanal miners have had several confrontations with the state security agencies, and at several times in the past that activity had been proscribed, throwing many of the illegal operators out of employment, particularly in Wassa West District.

### **Study sites in Wassa West District**

The Wassa West District case study focused on three settlements: Tarkwa, the administrative capital of the district and the oldest centre of formal gold mining, not only in the district but also in the country (see Figure 13.1); and two of its surrounding communities namely, Teberebie and Adieye. These two villages are in the mining concession of AngloGold-Ashanti, one of the multinational mining companies operating in Wassa West District. These villages are fairly close to each other and within the daily commuting zone of Tarkwa. Adieye is an old village that received some households that had to be resettled from other villages in the active zone of the company's mining operations. Teberebie, on the other hand, is a completely new settlement created to settle communities displaced by active surface mining within the company's mining concession.

Tarkwa, as an old mining settlement, is undergoing rapid urbanisation, partly as a result of the revival of the mining economy. On the other hand, Adieye and Teberebie are rural settlements under the shadow of Tarkwa. They represent communities whose livelihood patterns have changed as a result of the relocation and loss of farm lands. Tarkwa's development was initially induced by gold mining. Other factors responsible for the rapid growth of Tarkwa, up to the end of the nineteenth century, included Tarkwa's accessibility from the coast. Improvements to the many routes to Tarkwa accentuated the value of Tarkwa's nodal position and its role as a trading and distribution centre for its wider region. In addition, it was made an administrative centre and hence performed an administrative function in addition to its mining and commercial activities. The railway from the port of Sekondi, which reached Tarkwa in 1901 (Dickson, 1969), enhanced the role Tarkwa played in its region. The functions it performed induced rapid population growth, due largely to the in-migration of people into its mining industry (Huq, 1989: 154, quoted in Songsore *et al.*, 1994: 27). For instance, by 1948 the population of Tarkwa stood at 7805. This increased to 13,545, 14,708 and 22,107 in 1960, 1970 and 1984 respectively. In 2000, without its adjoining villages, which had grown to become part of Tarkwa, the town had a population of 30,360. Together with its surrounding villages, the population of Tarkwa in 2005 was estimated by the Planning Office of the Wassa West District Assembly to be 53,323.

Adieye was founded in 1946 by a farmer from old Teberebie. Later on a number of migrants, looking for land to cultivate cash crops, especially cocoa and palm oil, were given land to farm around Adieye. Being a very old

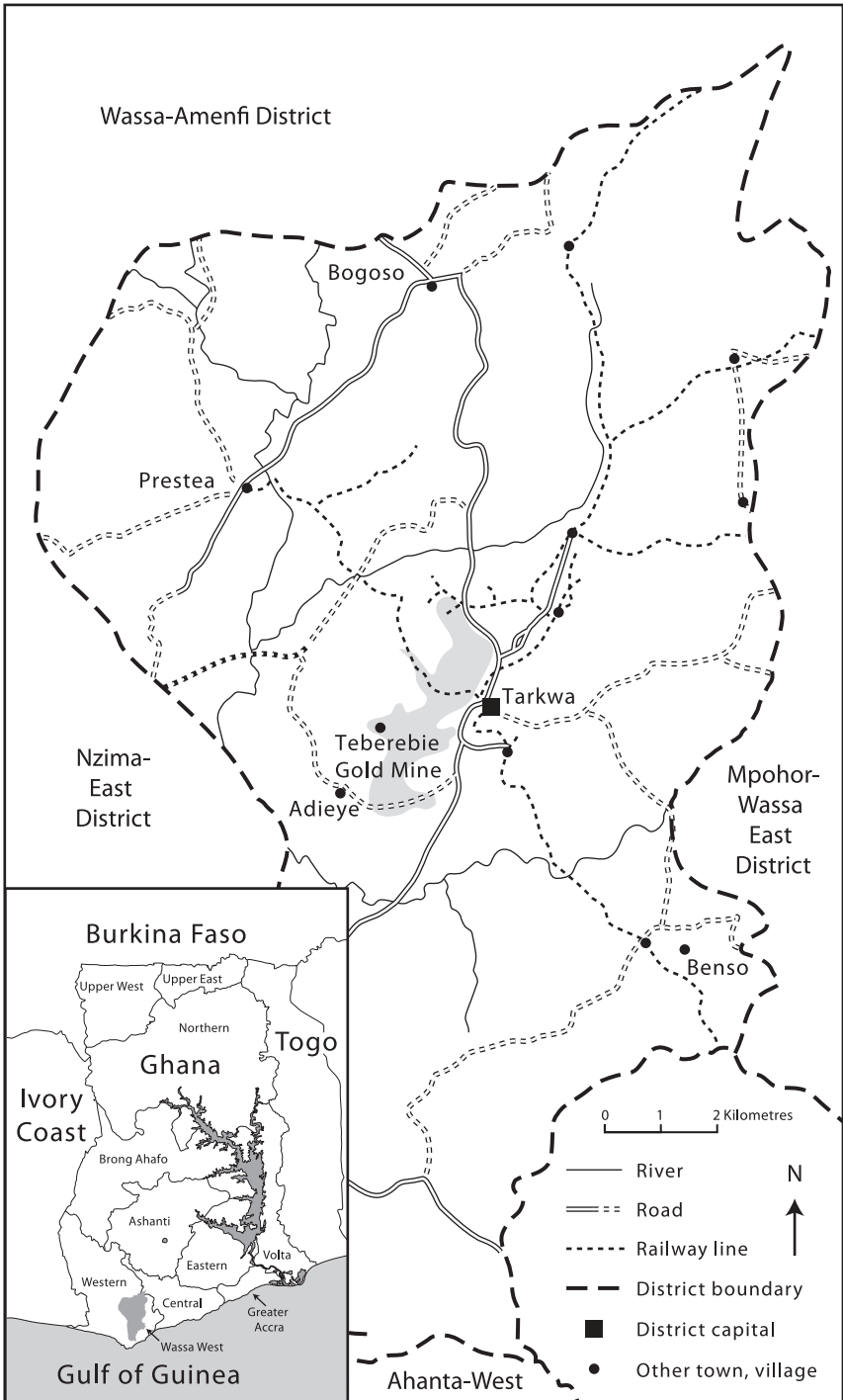


Figure 13.1 Location of Teberebie gold mine in Wassawest District.

abandoned mining area, mining activities were restarted around there in the mid 1980s by the Ghana-Australian Goldfields (GAG) company, which operated surface mining in the area. In the course of Ghana-Australian Goldfields' operations the company had to resettle a community of 12 households, by name Iduaprim, at Adieye. Farming continues to be the main activity at Adieye, and this has attracted a lot of migrants, involved in both food and cash crops, to the area. In addition, a number of tenant households who work with the various mining concerns in the area have settled in Adieye. The population of Adieye was 1524 in 2004 (Opportunities Industrialisation Centres International (OICI), 2004).

Teberebie came into being in 1986. The resettlement was undertaken originally by Teberebie Goldfields (TG) Ltd, an American mining company, and part of the concession was acquired by AngloGold-Ashanti when TG folded. Teberebie has grown in population and physical size in recent years. Its' population was 1137 in 2003 (OICI, 2004). Though seriously constrained by shortages of farmland, it has attracted people, mainly workers of mining companies and also workers from Tarkwa, as a result of the relatively low rental units available in the village. People have built houses there mainly for rental purposes.

The question remains, what have been the effects of the revival of gold mining on the growth of Tarkwa, Adieye and Teberebie and on the livelihoods of the people?

### **Settlement growth**

The effects of the revival of gold mining in Wassa West District are more marked on Tarkwa than on Adieye and Teberebie. A noticeable feature of Tarkwa's growth in recent years has been in its physical size. It has experienced an appreciable level of physical expansion during the last two decades, partly as a result of the revival of the formal gold-mining industry. Unfortunately, for decades its physical development has not benefited very much from physical planning. With the exception of a few new residential settlements, which conform to the norms of physical planning, the majority of the buildings do not adhere to planning rules, with the result that there has been a serious amount of unplanned and unregulated development. A striking feature of the occupied housing units in Wassa West District as a whole is overcrowding, as a larger proportion of households use small units with only one sleeping room each. This is most extreme in Tarkwa (Wassa West District Assembly, 2002). The continuous influx of migrants into the district, and into Tarkwa in particular, in search of jobs has created a major housing problem and placed a lot of strain on the urban infrastructure and service provision in Tarkwa. Besides those forced to live in severely overcrowded conditions, many young migrants have turned the railway station and lorry parks into places of abode (Akabzaa and Darimani, 2001). The spill-over effects are felt by Adieye and Teberebie, as described above. The Wassa West District



Assembly, the local government body, has not been able to respond adequately to the challenges of environmental management, the provision of social services and economic infrastructure to provide a well-functioning urban economy.

The boom in mining has also stimulated development in the service and commerce sectors in particular. New hotels have come into service in the last ten to fifteen years. Related to the boom in gold mining has been an increased level of social vices such as prostitution and drug abuse. Both mobile and resident sex workers operate in Tarkwa. Drug abuse is especially prevalent among operators of illegal small-scale mining operations, who use drugs to fortify themselves for their risky and dangerous activities (Akabzaa and Darimani, 2001).

### **Changing livelihood opportunities**

The study ascertained the key activities that people were engaged in and their changes over time, the assets they had available for organising their activities, and the effects of the mining industry on their livelihood activities. Until its decline in the 1970s and early 1980s, the mining industry could be considered the growth industry in Tarkwa. Its revival since the late 1980s has had effects on other sectors, such as commerce, construction, administration, social services and transportation. Since the early 1990s, the mining industry has brought considerable investments into Wassa West District generally and Tarkwa and its surrounding areas in particular. However, the overall occupational structure of Tarkwa has remained virtually unchanged from that in the 1960s. An examination of the occupational structure of Tarkwa in 1960, 1970 and 2000 as provided in the population census reports shows that in 1960 mining and quarrying, though the most important growth industry, accounted for only 12.3 per cent of total employed labour within Tarkwa town. Women were virtually not represented at all in this sector of Tarkwa's formal economy. By far the most important activity in terms of numbers employed was commerce, which engaged about 31 per cent of the working population and was dominated by women. Commerce was followed by services, with 19 per cent, dominated by men, and manufacturing with 14 per cent. The overall structure of the economy of Tarkwa remained largely unchanged in 1970.

The dominance of males in mining and related activities, in construction, transport, storage and communications, as well as in community, social and personal services, did not change between 1960 and 1970. On the other hand, the ratio of males to females in commerce increased during the period 1960–1970 (1:6.2).<sup>1</sup> The employment structure of Tarkwa in 2000 was also not very different from the 1970 situation. Mining and quarrying employed about 14 per cent of the labour force, a slightly higher proportion than the situation in 1970. This certainly is an indication of the revival of the mining economy but employment generation from the large-scale mining companies has

been limited. Commerce is the single most important sector in terms of employment.

The results of our baseline survey confirm what the census reports show, namely that commerce was the main activity of households in terms of the amount of time devoted to this activity and also the main source of income for households in 2005 in Tarkwa, as shown in Tables 13.1 and 13.2.

In the case of Adieye and Teberebie, it was farming that was the single most important activity of respondents in 1995 (17 per cent), but trading had taken over as the most important single activity of respondents in 2005 (22 per cent). In terms of income, Table 13.3 shows that farming was overtaken

*Table 13.1* Major economic activities of households in Tarkwa in 1995 and 2005 (%)

<i>Economic Activity</i>	<i>1995</i>	<i>2005</i>
Trading	14	23
Skilled work	9	16
Farming	7	7
Mining	3	4
Formal employment	3	3
Unskilled work	4	3
Landlords	–	4
Students	6	8
Others	3	–
None	52	32
Sample size	832	832

*Source:* Author's household survey of Tarkwa, 2005

*Table 13.2* Proportion of income from household economic activities generating most income in Tarkwa in 1995 and 2005 (%)

<i>Economic Activity</i>	<i>1995</i>	<i>2005</i>
Trading	29	35
Skilled work	17	21
Farming	15	14
Mining	10	12
Unskilled work	8	8
Formal employment	2	3
Landlords	6	6
Others	2	1
None	11	1
Sample size	282	282

*Source:* Sub-sample of the Author's household survey of Tarkwa, 2005

*Table 13.3* Proportion of income from household economic activities generating most income in Teberebie and Adieye in 1995 and 2005 (%)

<i>Economic Activity</i>	<i>1995</i>	<i>2005</i>
Trading	9	9
Skilled work	9	9
Farming	33	31
Mining	27	38
Unskilled work	–	–
Formal employment	–	2
Landlords	–	–
Others	2	11
None	20	–
Total	55	55

*Source:* Sub-sample of the Author's household survey of Teberebie and Adieye, 2005.

by mining as the activity that generated the most income for the households of respondents between 1995 and 2005. This came from wages and salaries not only from large-scale mining, but also from small-scale mining.

Overall, self-employment is the dominant form of employment in Tarkwa, Teberebie and Adieye, as the commerce/retail, manufacturing and service sectors employ the largest proportion of the labour force. These economic activities have to a large extent developed around the mining industry. When the mining economy experiences a downward trend, the whole economy suffers. This is what happened with the closure of the Teberebie mines in the late 1990s as a result of the slump in global gold prices. Currently gold prices are soaring, and the mining economy is strong. The vibrancy of the revived mining economy has provided a favourable environment for business in Tarkwa in particular. The study sought the views of some self-employed people in small-scale manufacturing and related services, retailing and personal services in the study sites (161 respondents in Tarkwa, 13 in Adieye and 11 in Teberebie). About 81 per cent of the sampled operators indicated that over the years their enterprises had generally performed well. Thirty-six per cent of operators (in Tarkwa 50 per cent) would like to expand their businesses. Sixty-six per cent of respondents saw the future prospects of their businesses as being good, and in Tarkwa, 51 per cent and 42 per cent respectively saw the future prospects of their businesses as good and very good.

A number of businesses and services have also been built around the mining industry, including industrial laboratories, mining catering-support services, private security services and ancillary mining services like providers of servicing and parts for special mining equipment. In Tarkwa and its surrounding areas there are two industrial laboratories, 22 ancillary firms, five mining catering-support services, three private security services, two sanitary

companies, transport services and haulage companies, and contract mining companies. The mining companies, however, import many of the inputs for their operations (crushers, millers, steel, etc.). Local contracting firms, from which some inputs are procured, also import some of their inputs (e.g. chemicals). Working closely with local companies providing inputs, the large-scale mining companies have assisted them to achieve the required quality of inputs (e.g. products from the Western Casting and Tema Steel Company).

Special mention should also be made of artisanal or small-scale gold mining in Wassa West District, particularly in communities around Tarkwa. Though artisanal gold mining has been carried out in Ghana since time immemorial, increased open-pit gold-mining operations by large-scale mining companies have since the 1990s resulted in an increased contestation for mining lands in the country. Trespassing by small-scale mining operators on concessions acquired by large-scale mining companies has become common. This has resulted in confrontations between the large-scale mining companies and small-scale mining operators, who believe the acquisition of large tracts of mining lands by the large-scale mining companies is an encroachment on their sources of livelihood. The small-scale miners consider mining to be a major source of employment and income, without which most of them would have been unemployed and without a means of livelihood. Ten of the owners of 26 small-scale mining concerns covered in the study used to work with large-scale mining companies but had been retrenched. Having acquired the skills and experience of mining, they were then applying these by working for themselves. A few of them were farmers and artisans who had shifted to working as small-scale miners. For 19 of them, mining was their previous main occupation. This phenomenon was not noticed in Adieye and Teberbie, though it is known that artisanal mining occurs throughout Wassa West District.

An issue related to small-scale or artisanal mining is the number of small-scale gold-buying firms in operation in Tarkwa. Eleven small-scale licensed gold-buying firms were covered in the study in Tarkwa. These firms had been set up since the early 1990s. They were owned mainly by individuals, only three of them being partnership companies. The owners were relatively young, between the ages of 39 and 48, with little schooling. All of them, except two with secondary levels of education, had just basic levels of education. They were all married, and they were mainly migrants from within the Western Region and outside the region, but most of them had lived in Tarkwa for between 15 and 39 years. They were previously engaged in all kinds of employment – teaching, farming, hawking and driving – and only one of them used to be a small-scale mining operator (*galamsey*). The firms obtained much of the gold directly from small-scale mining concerns, both legal and illegal, and from agents whom the licensed buyers themselves pre-financed. They in turn sponsored gold producers scattered throughout the district or region and beyond. Tarkwa offers the right environment for their businesses. A considerable number of small-scale miners operate in the

district to supply them with gold. Many of the small-scale gold-buying firms sell their gold through the Precious Minerals Marketing Company (PMMC), a state agency which has an office in Tarkwa.

### **Unemployment and poverty**

Two notable features of the livelihood dynamics of the study sites were increasing unemployment and deepening poverty. These were recorded through the household questionnaire surveys, as well as focus-group discussions held in the study sites. Tarkwa, being a district capital and centre of mining activities in the Western Region, tends to attract people looking for waged employment, especially in mining. Most of those seeking employment register with the District Labour Office at Tarkwa. From the records of the Labour Office in 2005, there were 305 registered job-seekers on the active register as of the end of January 2005. Of this number, 81 were registered in January 2005 alone. Most of those on the active register were local applicants, while others were from other districts. The number of job-seekers on the active register had increased to 421 (415 males and 6 females) by the end of August 2005. Despite the number of job-seekers, there have not been adequate job opportunities. The large-scale gold-mining sector's heavy reliance on local labour in the past has been substantially eroded, as current production has become more and more capital- and skills-intensive due to technological developments (D'Souza, 2005). Moreover, the new mining economy provides very few opportunities for unskilled labour. The types of job openings favoured those with skills such as drillers, excavators, heavy-duty operators, welders, multi-skilled operators, security personnel and artisans generally. Unfortunately, most of those on the active register were unskilled labour. Some were skilled but could neither read nor write and therefore had difficulty securing job placements in the mining sector. The mining companies had also been sponsoring some of the local population in higher institutions of learning so they could become employable in the mining industry. Those without skills were also being trained to take advantage of alternative livelihood programmes being implemented by the mining companies.

In our household survey, respondents were asked to describe the employment situation in Tarkwa in the distant past (between 10 and 20 years ago) and in the recent past (five to 10 years ago). Fifty-three per cent of them said that, when small-scale 'illegal' mining was a thriving activity in the distant past, there was very little unemployment in Tarkwa. In the recent past, as many as 60 per cent of respondents said there were very limited employment opportunities in Tarkwa, some attributing this situation to the prohibition of 'illegal' small-scale mining in the district by the government. Respondents in Teberebie, and to a lesser extent those in Adieye, complained about a lack of land for farming and alternative livelihood opportunities. The prospects for youth employment were considered to be a major problem, as 70 per cent of all respondent household heads indicated that both young men and women

would have virtually no chance of securing employment in the district in the foreseeable future. The alternative was for young people to migrate to other areas in search of employment. Indeed, migration out of the study sites was one of the livelihood strategies adopted by households. About 46 per cent of respondent households received remittances from household members and other relatives living outside the settlements covered in the survey. The remittances were mainly in the form of cash (69 per cent), foodstuffs (17 per cent) and other forms (14 per cent) such as drugs, provisions and clothing. About 86 per cent of those who remitted them did so monthly. The main beneficiaries of the remittances were the spouses of respondents and their children (53 per cent). An interesting result of the study was the incidence of reverse remittances, though on a limited scale (26 per cent), to those who had migrated from respondents' households. This was in the form of cash (15 per cent), cash and food items (14 per cent) and herbal medicine (3 per cent). Other households (9 per cent) received occasional gifts and income derived from renting out rooms in their homes (3 per cent).

While recognising that the direct employment effects of large-scale mining operations had been limited, respondents in our household survey pointed to the benefits that communities had also received through companies' investments in the area of their corporate social responsibility (CSR). A significant proportion (34 per cent) of respondents, particularly in Teberebie and Adieye, pointed to the provision of social services – health, education, provision of potable water and sanitation facilities – by the mining companies. Others (20 per cent) pointed to the provision of infrastructure such as road construction, while roughly another 29 per cent pointed to other benefits, including the implementation of alternative livelihood programmes in the communities directly affected by mining. The views of respondents were also sought regarding the effects of small-scale or artisanal mining on the livelihoods of the households in their communities. A majority of respondents (70 per cent) indicated that small-scale mining helped to retain young people in the settlements covered in the study and so helped to stem the tide of social vices in their communities. Others (23 per cent) pointed to income generated in small-scale mining which supported economic activities, such as commerce, in the settlements. About 34 per cent of respondents in Tarkwa thought that small-scale mining supported the local economy in terms of the demand for goods and services. However, some negative impacts of mining operations on livelihoods were also mentioned. Loss of farmland and environmental degradation were given as the two major problems caused by mining in the study settlements but social problems were also mentioned, especially by respondents in Tarkwa (32 per cent).

Despite a boom in gold mining, poverty has worsened over the years due to the loss of land as well as restricted wage employment opportunities in Wassawest District. As the following extracts from focus-group discussions carried out in various neighbourhoods in Tarkwa indicate, the impact of poverty is widespread and households are adopting a range of coping strategies:

Here at Effuanta, Tarkwa, there is high level of unemployment. There is no money, families cannot cater for their needs such as feeding properly, paying school fees of children and other wards. Poverty is on the increase as unemployment deepens and *galamsey* activities have been proscribed by government so that many youth are unemployed and life is hard here. People cannot access health care financially. They cannot pay for the National Health Insurance Scheme (NHIS), school levies for children and wards. There is financial stress on families leading to waywardness of children, increased street children phenomenon, teenage pregnancy and prostitution, disruption of marriages, vices, infidelity of life partners, wage employees taking away wives of unemployed persons, people selling-off personal effects to survive and to pay children's school fees.

(focus-group discussion, Effuanta, Tarkwa, 19 January 2007)

At New Atuabo, the unemployed persons find it difficult to care for their households, difficult to feed them and cannot cater for the cost of their children's education. Their children are not healthy. Poverty is very much widespread in this community, and poverty is intensifying as the unemployment situation deepens. Those able to manage are few, and they, generally, are those working with the mining companies operating in the area. Some heads of household have rented some of the rooms used by their households and are crowded into very limited spaces as a coping strategy. Some heads of household have sent their children and other wards to live with relatives elsewhere.

(focus-group discussion, New Atuabo, Tarkwa, 17 January 2007)

### **Concluding remarks**

Despite the revived gold-mining economy in Wassa West District, there have been very limited opportunities for wage employment. The increasing unemployment levels, particularly among young people, and the deepening poverty situation have had serious implications for sustainable livelihoods in the district. Although Tarkwa and its environs are experiencing some out-migration, the area is likely to continue to be a popular destination for migrants looking for livelihood opportunities in the mining economy. Tarkwa is growing in population size, and Adieye and Teberebie continue to be 'dormitory' communities for those working or seeking employment in or near Tarkwa. The population increase in the settlements is likely to compound the problem of unemployment and all its attendant socio-economic effects. Local government has been weak in responding to the increased levels of urbanisation, as indicated by the inadequate provision of infrastructure and environmental services. It, therefore, remains doubtful whether the boom in mining will be able to provide the basis for sustained settlement growth.

## Note

- 1 Computed from the 1970 Census Report, Special Report 'A' on Large Towns.

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# 14 Frontier mining settlements

## Livelihood promises and predicaments

*Deborah Fahy Bryceson and  
Paul W.K. Yankson<sup>1</sup>*

### Introduction

Newly discovered mineral sites, perhaps more than anywhere else, encapsulate a frontier mystique. At the outset, the geological and social unknowns combine with a sense of enormous economic potential. People flock to the location in large numbers with high expectations of gain. There they must contend with the fact that others from far and wide have descended on the location with the same hopes and expectations. The local economy, culture and society that emerge are an aberration from the surrounding countryside and culture rooted in a strong sense of the locational past. Mining settlements pivot around the production and consumption patterns of miners living in the immediate present, who seek to gain their livelihood and make their fortune then and there.

However, newly discovered mineral sites are just one form of a wide array of mining sites whose one commonality is that they are all locations of mineral exploitation. The type of mineral being exploited, the richness and spatial extent of the deposit, the duration and depth of the excavation and the scale of production mould the 'carrying capacity' of the site with respect to employment and population settlement. The Ghana case study in this section focused on what could be termed 're-discovered', large-scale gold mining sites in Wassa West District where highly capitalised and technologically advanced surface methods of extraction are deployed. Decades ago this area was part of an important gold-producing area that became sub-economic with the progressive depletion of the mineral supply. However, the high world price of gold and new technology spurred the re-opening of these fields with foreign investment. The Tanzania case study, based in the northwestern regions of Mwanza (gold) and Shinyanga (diamonds), on the other hand, dealt with much newer sites, where small-scale miners are digging at shallow levels with relatively low levels of technology.

This thematic overview explains more of the background to the frontier mining case studies: reviewing the position of mining in the national economies of Ghana and Tanzania, outlining some of the salient differences between small-scale and large-scale gold mining, and contrasting small-scale

gold as opposed to diamond mining before discussing the rural–urban dynamics of mining settlements.

### **Mining livelihoods in Africa**

Post-colonial states of Africa have been divided between a few notable countries where mining historically took a leading role in the economy and the majority of others where agriculture was primarily the driver of the economy. In the latter, as small-scale agriculture has experienced serious decline, African states have more actively sought foreign investment. Most recently, Chinese investors have upped the stakes with their eagerness for African raw materials. In this context, mining has come to the fore in an array of former primarily agrarian African countries, where valuable mineral deposits were known to exist or have recently been discovered.

Although Ghana has been famed for its gold for centuries and was formerly called the ‘Gold Coast’ during the colonial period, in more recent years of the post-colonial period, mining flagged, accounting for only between one and three per cent of wage employment. In the more recent liberalised business climate, however, several large- and medium-scale mining companies have been attracted to the country. National gold export earnings have been on an upward trajectory.

Tanzania has a far less prominent history in mineral exploitation. During the first two decades after the country’s independence in 1961, mining was negligible, with the exception of Williamson diamond mine at Mwadui in Shinyanga. Declining returns to small-scale peasant farming combined with the rising price of gold on the world market spurred some farmers to start searching for mineral deposits in their home areas. Small-scale miners’ numbers have gained momentum with an estimated 500,000 people, mostly men, practising small-scale mining now (Chachage, 2005; Jønsson and Bryceson, 2009). Mining became the fastest growing sector with a 34 per cent increase between 2004 and 2005 alone. Mining export growth of over 16 per cent per annum was achieved in 2006 amidst booming gold prices (Tanzania, 2006).

Given their different histories of mining, it is not surprising that the legislative contexts of mining in the two countries are distinct. In Ghana, small-scale mining has been legalised since 1989 and miners are deemed legal in the context of being registered and granted a mining concession. However, a large majority of miners have not gone through these procedures and operate illegally defying proscription. The total number of small-scale gold mining operators is estimated at 300,000 people (Hilson and Potter, 2005).<sup>2</sup> There is considerable friction between the large legal and small-scale illegal sectors. Employment in large-scale mining is very restricted where new surface mining techniques have been introduced. Its land-extensive nature has engendered land disputes between large-scale mining firms and local residents. Small-scale illegal miners feel a sense of moral outrage at the loss of land and livelihood.

Tanzanian small-scale miners have been subject to less control. Small-scale mining was illegal during most of the Nyerere period after independence until 1979 when they were technically allowed to peg claims. Legislation in 1997<sup>3</sup> ordained a clear legal space for a small-scale mining sector, prompted by Tanzania's concern to delineate small- as opposed to large-scale spheres. Recent mining legislation related to Primary Miners Licensing and efforts to formalise Tanzania's small-scale mining sector have generally touched only the most prominent small-scale operators, the primary mining licence owners (Fisher, 2007). This leaves the majority of small-scale mining operations unregulated and open to highly exploitative labour practices, which imparts a true frontier setting to Tanzanian mining sites. The legality of the land and labour usage is often questionable. Capital investment in equipment, labour management and the risks and costs related to miners working without striking gold falls primarily on the pit holder.

Certainly on a day-to-day basis, the secure profitable position of claim owners may generate tension amongst the rank and file; nonetheless, the borders between the three groups of miners, namely: claim owners, pit holders and diggers, can blur. Claim owners and pit holders may work as ordinary miners in bad periods to get cash.<sup>4</sup> In any case, over the longer run, claim owners have insufficient capital to continue mining once a depth is reached that requires high-powered water pumps. They will be forced to cease operations. At that point, or in anticipation of that point, the claim owners may strike deals with large-scale mining companies which wait for the inevitable time when technologically sophisticated large-scale mining techniques are needed at greater depths.

Gold, which begins with alluvial panning, and proceeds to digging ever deeper shafts and tunnels down to levels that are no longer technologically possible for small-scale miners, is a more capitalised production process with more teamwork and hierarchical structure than diamond mining. The economic structure of diamond mining in Tanzania tends to be less hierarchical because the technology and levels of investments for small-scale diamond mining are less demanding. A two-tiered production system prevails in which locally resident male household heads with farmland use part of their land for gold mining and procure labour for the digging. Some may mine the land themselves with male family members, but older men with the financial means to become 'diamond mine owners' tend to provide equipment to a team of 'diggers' – numbering two to four men generally – whom they permit to dig on their land in specified spots.

The mine owner generally supplies digging equipment to the mine labourers, having himself borrowed the equipment from a diamond buyer on the condition that any diamonds found must be sold to that buyer specifically. The diggers excavate and wash the sand looking for diamonds. When diamonds are found, the mine owner takes them to the local licensed buyer who deducts the costs of the mining equipment. Some mine owners ask for one of the diggers to accompany him in order to demonstrate that the diamond

transaction and the apportioning of shares from the diamond sale thereafter are fair. While varying from place to place, mine owners are likely to take half the proceeds, distributing the rest to their diggers with deduction for the living costs and loans that they advanced to the diggers up to that point.

The outstanding difference between the two country case studies is that the Tanzanian sites based on small-scale mining are labour-absorbing for unskilled diggers, whereas the techniques used on the much older Ghanaian gold sites are labour-repelling. The Ghanaian government's proscription of small-scale illegal mining operations clearly favours investment by large-scale mining concerns which tend to have been allocated land formerly worked by numerous small-scale illegal mining concerns. Small-scale operators are persistently moving from one area to another in search of gold. Their search takes place in active mining areas and includes the concessions of the large-scale mining companies. Operating as 'gangs' comprising both men and women, their mine work within the company concessions has been a major source of conflict in Ghana's gold mining industry.

Ghana's large-scale foreign mining companies deploy techniques that restrict the use of manual labour. Employment opportunities in the large-scale gold mining sector are now primarily skilled jobs leading to increasing levels of general unemployment and poverty amongst the uneducated and untrained. The gold mining sector dominates the local economy and does help to generate employment in commerce and services in Wassa West District. Livelihood sustainability in the gold mining sector has necessarily become the central issue for Ghanaian households in mining settlements

This is experienced in Tanzanian small-scale mining to a lesser degree. Mining settlements 'age' as their mineral deposits get deeper and/or depleted, but in Tanzania there is the feeling of continually new horizons. Small-scale miners usually have a green light to seek new sites. Older sites, such as the case study settlements reviewed in Chapter 12 above, inevitably become less mine-oriented. Youthful men, in particular, are likely to emigrate but those left behind and the service infrastructure continue to provide a basis for livelihood sustainability.

### **Urbanisation and migration**

High-value minerals and gemstones – gold or diamonds – are superb catalysts for capitalist enterprise, long-distance trade and urbanisation processes. They attract entrepreneurs and mining labour in large numbers from within and beyond national boundaries, despite the fact that the local price miners receive for their mineral output may represent only half to three-quarters of the international consumer market price (Phillips *et al.*, 2001). The poverty of the countryside where the labourers originate and their low opportunity costs result in elongated gaps in international price formation. Nonetheless, the high value of mineral production relative to local agricultural output and the in-migration of mine labourers with the multiplier effects of the service

sector that springs up around them catalyse the population growth upon which urban populations, urban divisions of labour and urban exchange relationships congeal.

Mining sites experience rapid changes in migration flows to and from the settlement. There have been virtually no studies of mine-focused population movement (Bryceson and Jönsson, forthcoming). The Todaro and Harris-Todaro models of urban migration based on migrants' anticipated urban job prospects or wage levels have long been abandoned (Montgomery *et al.*, 2004). More recent work by Bigsten (1996) suggests that urban-based family relations arrange or at least encourage a rural migrant's urban work placement through communication channels established within circular rural-urban migration patterns. Familial mine labour recruitment on the basis of 'bush telegraph' lines of communication between rural households, strengthened by the ever-growing use of mobile phone networks, could be likened to the labour recruitment through familial ties described by Bigsten (1996) for African urban areas.

Labour absorption is the motor force of livelihood diversification and urbanisation. Age and gender stereotyping strongly structure labour force participation and in turn influence household composition in one of two ways through: first, household members selectively involving themselves in chain migration following the original migrant for purposes of household reunion; and second, new households which are formed through marriage of couples at the new destination. In the case of the latter, the chain migration is most likely to happen when the household member is of the age, gender or occupational inclination that will 'fit in' with the new settlement.

While the gender ratio in mine-led urbanisation is biased towards men in the first instance, female migration soon follows male miners' influx. Women are attracted to the area by the sharp rise in the demand for services induced by mining or to join their husbands. When returns start to decline and male miners begin migrating to new mining sites, they leave behind a larger resident population than existed at the outset of the mining boom, including wives and children. In so doing, the gender ratio of the settlement may tip from a male to a female bias.

We can trace small-scale mining settlements over a number of stages of what might be termed the 'settlement cycle' beginning with the initial rapid 'primary growth' to peak settlement levels of miners themselves; followed by a 'secondary growth' of service providers which comes quite quickly thereafter and proceeds simultaneously with the miners' migration impetus. 'Tertiary growth' is characterised by 'family reunion' where wives and children follow mining husbands, or more likely 'family formation' whereby miners meet and have relationships with or marry women resident in the settlement who give birth to their children. It is difficult to delineate these stages of population growth because the changes happen quickly and often overlap one another. Census data every decade or more obscure the dynamics of the inter-censal period. In addition, in many places small-scale miners are

illegal or only quasi-legal, making undercounting in censuses highly likely. Thus, most estimates of population growth in mining settlements have to be based on local leaders' often biased guesstimates and survey data.

In Ghana, employment opportunities for unskilled labour in the large-scale underground mining during the 1960s and 1970s spurred urbanisation of the key mining settlements. The revival of the gold mining industry is not as labour-absorbing as before and the local multiplier effect in terms of service sector work has not been as effective. The state has not provided adequate levels of services and investment in infrastructure. Under pressure, the mining companies have demonstrated a growing sense of corporate social responsibility involving more sensitivity to the housing and service needs of their workers and dependants in the mining residential compounds. This has extended to mining firm investment in infrastructure and service-provisioning for local settlements directly affected by mining operations.

Small-scale mining settlements in their initial phases are usually very makeshift in character, but over time, government and the private sector are likely to invest in infrastructure, be it roads, schools, churches, mosques, medical clinics, etc. As and when primary growth of the mining population starts declining, the secondary and especially tertiary populations are likely to be more stable. Mining settlements that have attracted considerable infrastructural investment and are on a road are likely to continue to experience in-migration from the surrounding countryside from rural youth seeking improved life circumstances and outsiders seeing business possibilities and employment in the settlement's service infrastructure.

### **Rural–urban transitions**

The rural–urban dynamics of mining settlements are complex. Rapid in-migration causes bush, green field or village sites to transform rapidly into areas with urban characteristics. Mine labourers face many material insecurities connected with taking up residence in a new locality and trying to earn a living by mining. Large-scale mine labourers generally receive regular work payments, but face the possibility of being laid off. Small-scale miners, on the other hand, never know when they will get a mineral strike and they lead a hand-to-mouth existence. Many engage in own or family farming for their subsistence. However, combining mining and farming livelihoods is jeopardised by small-scale mining techniques that damage the topsoil, compromising local farming efforts in the long run. Large-scale surface gold mining is the worst offender, causing the loss of large amounts of valuable topsoil, which restricts farming in the mine concessions to the cultivation of basic subsistence foods rather than perennial cash crops.

Mining settlements are premised on a non-renewable natural resource. Large-scale mines have long-term plans and labour policies calibrated to exploit deposits at specific sites within a particular time frame. Small-scale miners, on the other hand, deal with changing mining conditions on a

day-to-day basis. In both forms of mining, the methods used to extract the minerals depend on the alluvial, soil or hard rock positioning of the mineral in question, albeit at different levels of technology. Small-scale miners have few technological problems with alluvial panning, whereas digging for gold and diamonds involves descending to ever deeper layers in the soil and hard rock, with increasing danger and technology costs. Small-scale miners, without the capital to invest in sophisticated digging, blasting and water-pumping machinery and skill improvement, face diminishing returns from their efforts the longer they stay on a site. Many miners are tempted to leave the mining settlement and venture beyond to a new frontier when news of new mineral strikes reaches them. This mobility option is relatively constrained in Ghana as opposed to Tanzania. (Jønsson and Bryceson, 2009)

Small-scale mining has very strong forward and backward linkages to other sectors of the local economy. It is a boon to commercial agriculture because it raises the demand for purchased food. It generates an array of mine-related processing jobs in addition to the manual labourers digging the gold and diamond pits, namely: rock crushing, sieving, amalgamating the metal, etc. It spawns small-scale industrial activity with the production of rock-crushing machinery and pumping devices. But above all, it causes a proliferation of service activities catering for the food and entertainment needs of the mine workers. The miners are known to be big spenders when they make a strike. There are plenty of people on hand ready to be at their service, providing alcohol, entertainment and sex for the miners' enjoyment. The multiplier effect of mine earnings facilitates widespread income generation and more even income distribution within the settlement. Small-scale mining may be temporally short-lived but it has a surprisingly broad and favourable impact on the local economy through service sector expansion and trade. Large-scale mining, like small-scale mining, provides cash injections into the local economy. Although wage employment is far more restricted, what employment is offered is relatively more stable than self-employment in small-scale mining.

Mining is an unpredictable driver of settlement transformation. Primary growth of the mining population will taper off at varying rates depending on how mineral-rich the mining site is, how fast the extractable levels of the mineral are depleted, and how many alternative new sites there are. With the limited capital and level of technology that small-scale miners have at their disposal, they are primarily restricted to the extraction of surface and near-surface levels of mineral deposits. If miners hear of a more promising site with more readily extractable surface deposits, many will be tempted to emigrate, usually leaving wives, girlfriends and children *in situ*, not knowing what lies ahead.

Mining settlements worldwide tend to rapidly display a sub-culture in which hard-working, risk-seeking men, oblivious to workplace health hazards<sup>5</sup> and financial insecurity, are observed becoming exceptionally happy-go-lucky and pleasure-driven, dissipating their earnings on 'high life' social drinking



and sexual liaisons in the aftermath of striking gold. Marital stability is likely to suffer as alluded to by Yankson.

There are two main factors acting to reduce the incidence of dire poverty: first, the population is on average very youthful and mobile. If they see a lack of promise in the local economy as a result of a slump in gold and diamond mining they can simply move elsewhere; men to areas where minerals are being successfully mined, whereas women are likely to move to the service economies surrounding these boom locations. Second, as long as there is sufficient land in the area for household subsistence farming, and climatic conditions provide adequate growing conditions, extreme poverty and destitution is unlikely.

## Conclusion

Weighing the above-mentioned conflicting tendencies, we venture to propose that the capricious nature of small-scale mining can nonetheless ultimately lead towards sustainable urban settlement. Johannesburg, South Africa's biggest city, which started as a Rand mining settlement just over a century ago, is an outstanding example. In the first instance, a sustained urban growth trajectory depends on access to basic needs for water and food in combination with good mining output. As the settlement develops, the gender and age composition of the mining settlement becomes less skewed. The settlement's economic foundation, initially catalysed and nourished by mining, is not extinguished as the mining component of the local economy becomes less dominant. Instead the urban settlement retains viability or even a growth momentum through the trade, service and possibly semi-industrial activity of a population concentration that is denser and availed of more economic opportunity, social choice and cultural relativity than in the agrarian countryside – hence its continued 'bright lights' attraction to outsiders. Small-scale mining as a frontier livelihood in any given place must be viewed as a temporally delimited phenomenon. Its long-term welfare impact on the resident population extends beyond mining to the influence of urbanisation and the growth of trade and services.

## Notes

- 1 This chapter has been inspired by the late Professor Ndalawa Faustin Madulu's insight and determination to research Tanzanian mining communities. Thanks go to Jesper Bosse Jønsson for his helpful comments on the first draft of this chapter.
- 2 As many as 90 per cent of Ghanaian small-scale miners may be illegal.
- 3 The Mineral Policy of 1997 (Tanzania 1997).
- 4 It was not until 1990, after the monopoly of the State Mining Company had ended in the late 1980s, that the then Ministry of Water, Energy and Minerals liberalised mining and selling of gold completely (Phillips *et al.*, 2001). From then on, small-scale miners were encouraged to acquire claims (Lange, 2006).

- 5 See Jønsson *et al.* (2008) for details on small-scale miners' hazardous use of mercury for gold extraction.

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# 15 Conclusion

*Niels Fold, Katherine V. Gough and  
Jytte Agergaard*

In this concluding chapter, we bring together the main findings from the frontier studies presented in this book. First we highlight the benefits of adopting a frontier approach to study rural–urban dynamics by summarising some of the main findings of the research. Then we outline some of the challenges of scaling this approach up to the national and continental levels. Finally we draw some policy implications of the research to round off the chapter and the book as a whole.

## **Rural–urban dynamics in frontiers**

In this book, we have explored rural–urban dynamics through a focus on frontiers. The research programme was built up around the conceptualisation of frontiers as being regions where linkages to global markets are dominated by one particular product (coffee, pineapples, gold, etc.) or a number of similar products (handicrafts, fresh fruit). The only exception is the manufacturing frontier in Thailand, which is characterised by different industries and a diverse product range. The purpose of this focus on frontiers was to construct a relatively ‘homogenous’ spatial entity with a particular type of linkage to world markets in order to examine the interaction between global markets and rural–urban dynamics. As the chapters on the individual frontiers have highlighted, this can be a revealing way to tackle rural–urban dynamics. Although the experiences on each frontier are unique, certain trends have been highlighted in the agricultural, handicraft/manufacturing, and mining frontiers respectively.

The agricultural frontiers have largely been driven by market dynamics, in some cases dominated by leading agro-industrial transnational companies. In some agricultural frontiers, livelihoods continue to be highly dependent on a specific crop. In the most dynamic settlements, however, although the economic base is closely interlinked with a specific crop, the majority of residents are engaged in non-farm occupations, with trade and services being especially important. These dynamic settlements attract in-migrants who work as agricultural labourers or establish their own enterprises. Trade and mobility clearly benefit from good transport infrastructure,

which provides access to the surrounding rural region and a network of larger cities.

In the handicraft/manufacturing frontiers, agriculture is declining in importance as the production of handicrafts, which once complemented agriculture in the slack season, is becoming the prime occupation. Rural incomes are being boosted due to this non-farm work. However, the central assumption of the virtuous cycle of farm–non-farm relations, namely that the two facets of the rural economy are co-situated, does not hold true. The profits from handicraft production are not being ploughed back into agriculture but are being used to expand craft production and to consolidate dwellings. The cases from Thailand and Vietnam highlight the manner in which craft and factory production relies on, and is increasingly sustained by, wider links and associations.

The mining frontiers are characterised by quite a different type of settlement formation, as they are premised on a non-renewable natural resource. As the cases from Tanzania and Ghana illustrate, mining as a frontier livelihood is a temporarily delimited phenomenon and thus an unpredictable driver of settlement formation. Settlements in mining frontiers typically pass through a number of stages, from temporary settlement to consolidating settlement to established settlement. When the mining frontier moves elsewhere, the established settlement does not necessarily die. Settlements can establish a momentum of their own as their main livelihoods switch to trade and services.

While specific characteristics of settlement formation can be identified for each of the frontier types, some overall trends which cross frontier type can be identified. A theme that runs through all the frontier settlements is the importance of the ability of households to be flexible and to diversify or specialise production according to demand for the frontier product. The demand for these products is increasingly dependent on the vagaries of the global market, making households highly vulnerable to sudden fluctuations in demand. Furthermore, the settlements in all of the frontier types are characterised by increasing social differentiation and inequality.

In all of the frontiers, globalisation is clearly an important force impacting on rural–urban dynamics. In order to explore the ways in which this impact is worked out in frontier settlements, livelihood analysis was combined with global value chain analysis to varying degrees. By tracing the ways in which actors on the global stage impact on value chains, and how actors in the value chain influence the demand for certain products, we have been able to show how global changes impact on households. This clearly shows the benefits that can be gained by linking these two types of analysis through a focus on frontier regions.

### **Rural–urban dynamics at national and continental levels**

Our frontier approach is less applicable on the national level. National territories are constituted by regions, many of which may not fit into our frontier

concept, for example agricultural regions with highly mixed land use and cropping patterns, regions dominated by a dense urban network of towns or cities, or regions dominated by out-migration and stagnating economies – in short, regions with other characteristics than those defined by our frontier concept. Consequently, we are unable to outline ‘national rural–urban dynamics’, interpreted here as the totality of complex rural–urban dynamics that are observable at the national level. Based on the findings in this book, however, it is possible to identify two general types of rural–urban dynamics that are integral parts of national development trajectories. The typology is structured according to a simple bipartite division of rural–urban dynamics in the context of national development, namely into hinterland areas and areas which are resource rich.

Rapid and comprehensive national industrialisation processes are closely interlinked with the dynamics of urban metropolises that encompass a highly diverse set of economic activities. Rural–urban dynamics within the hinterland of national metropolises are strongly influenced by the processes of rapid urbanisation and industrialisation that take place in the city and its surroundings. Livelihoods, mobility and settlement development in hinterland areas are heavily influenced by changes in urban demand for consumer goods (such as a shift in dietary preferences due to the emergence of new social classes), as well as in demand for raw materials and labour by manufacturing industries that are oriented towards global markets.

Some settlements in the hinterland consolidate and expand as livelihoods are diversified when households start to exploit the increasing number of *in situ* income-generating activities. Spatial dispersion of manufacturing industries from congested areas in the city to new industrial zones in previous agricultural frontiers enhances the possibilities for livelihood diversification. The population is able to remain in accessible settlements or towns and migrants are attracted by new employment opportunities. New skills and working habits are implanted among the original residents and migrants who enter into these non-agricultural activities, which are primarily located in rural settlements. However, these settlements do not necessarily underpin the industrialisation process by heralding a transformation into localities for incipient manufacturing industries, even though similar organisational forms of labour division are being introduced. The settlements form part of broader processes in which rural areas are transformed and settlement populations mixed with (labour) migrants and recast into new social relationships. In this sense, these frontier settlements reflect new rural–urban dynamics at the national level, influenced by their enhanced connections to global markets. These improved opportunities do not prevail in all areas of the hinterland, however, as previous income-generating activities are eroded resulting in settlements stagnating and their residents having to look for employment elsewhere.

Some resource-rich (e.g. agriculture, mining) frontiers may be of significant importance for the national economy if export revenues generated in the

frontier constitute a substantial share of total exports. Rural–urban dynamics in these frontiers interact with broader development processes on the national scale. The one-way flow of commodities from the area of production to the ports of export corresponds to more complex cross-country and multi-directional flows of labour and money, the latter in the form of both remittances and individual investment capital. Some regions which are not resource rich serve these frontiers as long-term labour reserves, as is the case for northern Ghana, where remittances primarily support the reproduction of migrants' extended households. Other regions, however, may benefit from investments by migrants who have the ability to accumulate a sufficient surplus to invest in property or small businesses in their hometowns.

Within resource-rich areas, livelihood diversification and mobility patterns tend to strengthen the position of particular settlements with suitable locations for trade in consumer goods, inputs and tools for production. The growth of these settlements into self-reliant regional centres may be a sustainable way of creating more regionally balanced socio-economic development at the national level. However, their potential may never materialise if the frontier expansion is interrupted by significant changes on global markets, as happened in the case of smallholders growing pineapples close to Accra, Ghana. In these cases, the diversification of livelihoods comes to a halt and settlements stagnate. In other cases, the spatial needs of large-scale agricultural or mining operations have resulted in the displacement of indigenous settlements and the establishment of unviable resettlements as inhabitants are dispossessed from their land.

These reflections have some important methodological implications. Rural–urban dynamics examined through a 'frontier' lens reveal a fragmented, although instructive, set of insights of different processes that form part of the complex national totality. Although the frontiers studied do not provide an adequate basis for outlining a comprehensive picture of rural–urban dynamics at the national level, they nonetheless feed into the simple bipartite division of rural–urban dynamics into the broad categories of hinterland and resource-rich areas. Hence, if further research aims to understand rural–urban dynamics at the national level, attention should be paid to the selection of different regions with distinctive positions in the national development process (including, for example, labour reserve regions, resource-poor regions, and geographically isolated regions) before conducting analyses on livelihood diversification, mobility and settlement transformation like those in this book.

Turning to the continental level, differing rural–urban dynamics have been shown to occur within Southeast Asia and Africa, in particular in relation to migration and mobility practices linked to livelihood diversification. Southeast Asian countries have developed new sources of income in manufacturing industries and related service activities fostering labour migration opportunities beyond the otherwise seasonal migration which characterises migration in the more commodity-dependent economies of

Africa. Labour migration creates new opportunities for livelihood diversification, not least in the hinterland settlements where livelihoods can be more flexible due to their proximity to urban centres. The additional economic activities and increasing cash income make it possible for household members to own their own means of transportation, thereby increasing their activity radius and day-to-day mobility. The effects of this ‘mobility revolution’ are also visible – albeit to a more limited extent – in the resource-rich areas, such as in the coffee frontier in Vietnam, where access to transportation (particularly motorbikes) influences employment opportunities, access to markets and services, and relations with traders. This increased mobility and associated development trajectories are not as pronounced in commodity-dependent African economies. Nonetheless, despite the positive effects of industrialisation in Asia, it is important not to overlook the increasing inequalities between households and settlements caused by different mobility possibilities and patterns. Asian frontiers may be characterised by greater mobility and more intense rural–urban dynamics than is the case in African frontiers, but a higher degree of inequality is emerging in the former.

### **Policy implications**

Rural–urban dynamics are influenced by various types of policies which operate at different spatial scales and are directed towards differing sectors of the economy. In this book we have examined variations in rural–urban dynamics and how these are played out in a range of frontier types. Policies and various forms of public regulation have been considered to the extent they have been of importance for rural–urban dynamics. For instance, in Vietnam the state has played a central role in facilitating population redistribution and – as part of the de-collectivisation process – establishing a relatively egalitarian redistribution of land for agricultural production. In addition, crop and income diversification have been part of state and provincial planning policies, in particular from the mid 1990s onwards as part of the continued five-year planning process. While centralised planning is of major importance in the economy, producers are not cushioned in any way from global market dynamics. In contrast, immigration to the cocoa frontier in Ghana is less planned, although the state is heavily involved in the regulation of the purchasing system (through fixed prices, quality control, etc.). In general, though, in Ghana agriculture takes place within a system dominated by customary land rights which govern the differing access to land by migrants and indigenous groups.

There are a number of general policy implications from the frontier case studies, concerning various policy instruments and their impacts on rural–urban dynamics, which will be highlighted here. First, all the studies have illustrated the importance of mobility in the diversification of livelihoods as households straddle several locations in their efforts to find income-earning activities. For marginalised and poor households, increased mobility

or permanent migration may be the only way to escape poverty, even though they often possess fewer of the resources needed to partake in flexible livelihoods, such as means of transport. Hence, it is important to understand the actual barriers to the movement of people and goods and be aware that different income groups might meet different barriers to their mobility. Regulatory measures, such as road blocks that can only be passed after the payment of some kind of duty, as well as all kinds of permits, licences, etc. that are necessary in order to move goods, persons or money, should be avoided to maximise opportunities for livelihood diversification over space. For similar reasons, measures to counter urban-directed migration by, for instance, limiting services to non-registered migrants, should be avoided. New urban dwellers may contribute significantly to urban growth by expanding the labour supply and entrepreneurial talent, especially in small towns, while in some areas also acting as a safety valve against a surplus rural population.

Second, there is a need for sensitive state intervention into frontier settlement fostered by the inclusion of land and resources for new purposes. The resource-rich frontiers in our study (coffee, cocoa, and mining) have illuminated various difficulties in managing space for different types of livelihood. However, state-induced resettlement schemes with elements of the forced movement of poor people are inadvisable, even though they can increase mobility for groups who otherwise may be stuck in poverty. As experience has shown, these schemes may be detrimental to indigenous population groups and the environment. This does not rule out the introduction of carefully planned state-sponsored re-settlement schemes if movement is facilitated for those in need and willing to move. However, technical and financial support should be on a continuous basis, extending beyond the initial phases of the establishment of settlements to provide a cushion against fluctuations in world market prices and different periods for taking up residence and production. In addition, wide variations in agro-environmental conditions should be reflected in differing degrees of state-financed support. These concerns for state regulation and support are also valid for mining areas, although usually they are not part of state-initiated development schemes. Both small-scale and large-scale mining leads to competition for land and often to the dispossession and poverty of indigenous households.

Third, as illuminated by all the frontier chapters, it is problematic to distinguish rigidly between what is 'rural' and what is 'urban' as they are inter-linked and have fuzzy boundaries. Settlements are difficult to categorise as either villages or towns and within these categories there are wide variations. What matters is not the category of the settlement but its ability to perform as a local growth centre and its potential to develop into a regional growth pole. As documented in a number of the frontier studies, these local centres have a significant development impact in terms of employment creation, skills development, and the local diversification of activities. They also take some of the pressure off the mega-cities by re-directing urban migratory flows. These benefits should be acknowledged by a corresponding expansion of the



urban physical infrastructure including electricity, piped water, and sanitary facilities, etc. Also, measures to enhance and promote the capacity of local enterprises to network and sell their goods within a national context should be promoted so that these settlements act as mediation points for the integration of the domestic market. The location of public-service provisions would further strengthen the impact of local growth centres that are based on commercial vitality instead of spatial allocations determined by bureaucratic paperwork or opaque political deals.

Fourth, the interlinked nature of rural and urban areas requires an approach to the design and implementation of policy mechanisms that breaks with the traditional separation into sector policies. Agricultural policies must go beyond narrow foci, like productivity gains or rural labour retention, and take into account their impact on settlement dynamics and broader regional growth patterns, including emerging regional inequalities. Correspondingly, industrialisation strategies and physical planning must be concerned with the impacts on agricultural production and possibilities for diversification into non-agricultural economic activities in predominantly rural areas in addition to small-town development. This form of cross-sectoral or 'horizontal' approach to policies concerned with regional development should be combined with a 'vertical' approach where public institutions operating on different administrative levels exchange and coordinate their ideas, activities and plans. Public institutions at lower levels are most appropriate for drawing up policies that are intimately related to a particular regional context, but there is a strong need for support and assistance from institutions at the national level.

Finally, these brief reflections on the implications of the findings of this book for rural–urban dynamics stress the need for a contextual and flexible policy framework that acknowledges the importance of non-metropolitan settlement dynamics. Policy mechanisms should be 'pro-growth' by creating and expanding mobility opportunities for households and individuals as well as stimulating development in settlements and regions with documented growth potential. However, this approach does not render policies superfluous that seek to regulate market dynamics if poor households, marginalised groups or whole regions are at risk due to, for instance, excessive dependence on the world market for a single product. Furthermore, policies have to take into account the ways in which links to world markets are determined by the nature of the dominant products and the relations of production resulting in divergent impacts within regions and among settlements. In short, there is a strong case for spatially targeted policies at both regional and local levels.

This view contrasts with the main argument in the 2009 *World Development Report*, which as a general precept recommends 'spatially blind' and universal institutions as a first policy choice, infrastructure as second choice while specific incentives (spatially targeted interventions) to stimulate economic activity in agglomerations are only third choice (World Bank, 2009). What we

have shown in this book, is that economic development takes place not exclusively in agglomerations but also at various locations along the rural–urban continuum. Hence, we would argue that it is detrimental to overall development in the Global South if a ‘new economic geography’ means that these dynamic regions are to be bypassed by national (and international) policies (Bryceson *et al.*, 2009; Rigg *et al.*, 2009).

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# Index

- abusa* system 64  
Accra–Takoradi railway line 66–7  
actor-oriented approach 14–15  
Adey, P. 16  
Adieye 177–86  
administrative approach 11–12  
Africa 4, 190; decentralisation programmes 38; rural–urban dynamics 201–2; *see also* Ghana, Tanzania  
age: migration and Tanzania’s mining frontier 168–70; and occupation in Thai villages 129–30  
agricultural frontiers 4–5, 6, 90–8, 198–9; cocoa 6, 23–40, 66, 90–8 *passim*; coffee 6, 41–58, 90–8 *passim*, 202; fruit 6, 74–89, 90–8 *passim*; livelihood transformations 96; markets 91–4; pineapples 6, 59–73, 90–8 *passim*, 201; settlements’ trajectories 94–6  
agriculture: alongside craft production in Vietnam 107–8; GAP production systems in Vietnam 82; Ghana’s mining frontier and 181–2; mining and 194; policy implications 204; post-colonial Africa 190; rice farming in Thailand 118–19, 120, 121–2, 137–8; sectoral change on Thailand’s factory frontier 140, 141–2, 143–4; Tanzania’s mining frontier and 163–4, 166–7, 168, 171, 172; virtuous cycle of farm–nonfarm relations 151–4  
American development, frontier thesis of 2  
Amoaya 26–8, 29, 30, 31, 33–7  
Anglogold–Ashanti 179  
Anh, D.N. 113  
Asia 4, 134; rural–urban dynamics 201–2; *see also* Thailand, Vietnam  
Ayuthaya 135, 138, 140  
bamboo crafts 119  
Ban Khan Haam 135–48  
Ban Khokmayom 135–48  
Ban Mor 118–22; mango wood-craft 118, 119–20, 123–5, 128, 152–3  
Ban Pasakluang 118–22; *saa* paper industry 118, 121, 123, 125–7, 128, 152–3  
bananas 60, 75  
Barbier, E.B. 3  
Bigsten, A. 193  
Binh Minh industrial zone 80  
Blue Skies 70  
Blunt, A. 17  
Bodi 26–8, 28–30, 33–7  
Bonsu Nkwanta 26–8, 29, 30–2, 33–7, 38  
boom-and-bust 3  
Borras, S.M. 141  
Bowrie, K.A. 117  
Bramall, C. 155  
Brazil 42  
Buon Ma Thout 46, 47, 48, 49  
Burma 125  
buyer-driven chains 13  
Carney, D. 15  
cashews 54  
category managers 61  
Chachage, C.S.L. 173  
Chambers, R. 14, 15  
Chatthip Nartsupha 137  
chemical dyes 125, 126  
Chiang Mai 154  
China 75, 155, 190

- churning machine 125, 126  
 citrus fruits 75  
 claim owners 160, 171, 191  
 cocoa 6, 23–40, 66, 90–8 *passim*; diverse trajectories of frontier settlement development 33–7; history in Ghana 23–5; small towns and rural settlements 25–32  
 Cocoa Marketing Company (CMC) 24, 25  
 Coe, N. 13  
 coffee 6, 41–58, 90–8 *passim*, 202; coffee sector in Vietnam 42–4; livelihoods in the coffee settlements 51–4; migration and mobility 44–5, 51, 54–5; settlement formation in the coffee belt 46–51  
 coffee crisis 43–4, 53  
 common methodology 18–20  
 comparative approach 17–18  
 continental rural–urban dynamics 201–2  
 Conway, G. 14, 15  
 co-operatives 103  
 corporate social responsibility (CSR) 185, 194  
 Costa Rica 62  
 Côte d'Ivoire 24, 62, 63  
 craft villages: Vietnam 6, 99–115, 151–7 *passim*; Thailand 6–7, 116–33, 151–7 *passim*  
 crop diversification 54  
 cross-sectoral policy approach 204  
 customary land tenure 64  
 daily mobility: Thailand's factory frontier 145–6, 148; Vietnam 55  
 Dak Lak Province, Vietnam 41–58; immigration and resettlement 44–5  
 Dar es Salaam 159  
 data analysis 20–1  
 de Bruijn, M. 16  
 de Haan, L. 15–16  
 de-agrarianisation 137–8, 140–4  
 decentralisation: programmes in Africa 38; Tanzania 159  
 demand for fruit, in Vietnam 74–6  
 demographic safety valve 3  
 Dercon, S. 146  
 development communes 50–1  
 diamond mining 7, 158, 161–4, 164–73, 189–97 *passim*  
 diamond smuggling 162  
 diggers 191–2  
 DiGregorio, M. 100–1  
 dissemination 20–1  
 dissociation 149; villages in Thailand 139, 140–4, 147–8  
 diversification 94–5; income *see* income diversification  
 division of labour: handicrafts frontier 124, 153; mining frontier 165–7  
*Doi Moi* policies 41, 42, 74–5, 99, 154  
 Dole 62  
 domestic markets, for agricultural products 94  
 dormitories 124, 140  
 drug abuse 180  
 Ea Nam commune 46, 47, 48, 49, 51, 51–5  
 Ea Sien commune 46, 47, 48, 49, 50–1, 51–5  
 Ea Tu commune 46, 47, 48–9, 51–5  
 earthenware pots 119  
 education 83, 144  
 Effuanta 186  
 embroidery 101, 103, 103–5, 107–13, 152–3  
 entrepreneurs 105, 124, 126, 129  
 European Union (EU) 60–1, 62–3, 70  
 exporters' outstanding payments 70  
 extension services 52–3  
 factories: *saa* paper 126, 127; Thailand's rice-growing region 7, 134–50, 151–7 *passim*  
 familial ties, migration via 193  
 'Far Eastern' company 106  
 Farmers' Unions 52  
 financial support 203  
 financial transfers/flows 10  
 focus groups 18, 19  
 food: crops on Vietnam's coffee frontier 52; production on mining frontier in Tanzania 166–7; Thai factory villages 144  
 foreigners, marriage to 83–4  
 forward selling 25  
 Fresh Del Monte 62  
 frontiers 1; comparison of frontier types 17; defining 2; frontier regions 2–5; rural–urban dynamics 198–9  
 fruit: pineapples 6, 59–73, 90–8 *passim*, 201; Vietnam 6, 74–89, 90–8 *passim*  
 GAP (good agricultural practice) production systems 82, 88

- gender: and handicraft production 108, 109; migration and mining frontier 168–70, 193
- Gereffi, G. 13
- Ghana 4, 5, 201, 202; cocoa 6, 23–40, 90–8 *passim*; Economic Recovery Programme 176; gold mining 7, 175–88, 189–97 *passim*; pineapples 6, 59–73, 90–8 *passim*, 201; structural adjustment programmes 24, 176
- Ghana-Australian Goldfields (GAG) 179
- Ghana Cocoa Board (COCOBOD) 24–5, 30, 33, 38
- global markets 60–3, 75, 91–4
- global production networks (GPNs) 13, 14
- global value chain (GVC) analysis 12–14, 16, 91
- globalisation 1, 11
- Gold Coast 24; *see also* Ghana
- gold mining: Ghana 7, 175–88, 189–97 *passim*; Tanzania 7, 158, 160–1, 164–73, 189–97 *passim*; trends in the Ghanaian gold mining industry 176–7
- governance forms 13
- Ha, D.T. 3, 42, 43
- Ha Thai 101, 102, 103, 105–6, 107–13
- Ha Tay Province 101
- handicraft and manufacturing frontier 4–5, 6–7, 151–7, 199; forces shaping rural and urban spaces 154–6; Thailand's factory frontier 7, 134–50, 151–7 *passim*; Thailand's handicrafts frontier 6–7, 116–33, 151–7 *passim*, 198; Vietnam's handicrafts frontier 6, 99–115, 151–7 *passim*; virtuous cycle of farm–nonfarm relations 151–4
- Hannam, K. 16
- Hart, G. 152
- health centres 30, 67
- health and safety 111
- hinterland areas 200–1, 202
- Hoa 78, 79–80, 81–8
- Hoa Hung commune 79–80
- horizontal approach to policy 204
- household goods 112, 113
- household studies 14–15
- housing: coffee frontier in Vietnam 49, 50; handicraft and manufacturing frontier 110–11, 155; mining frontier 179
- illegal small-scale mining 184, 192
- in-depth interviews 18, 20
- in situ* urbanisation: Tanzania 167–70; Vietnam 85–7
- income diversification 96; Vietnam's coffee belt 53–4; Vietnam's Mekong Delta 81–2
- indigenous settlements 28–30
- Indonesia 134
- industrial zone plan 111–12
- industrialisation strategies 204
- inequality 202; Thailand's handicrafts frontier 128–9; Vietnam's fruit frontier 81–2; Vietnam's handicrafts frontier 112–13
- information flows 10
- infrastructure 31, 155, 185, 194, 204
- Ivory Coast 24, 62, 63
- Johannesburg 196
- Juaboso District, Ghana 26–37
- Kefass 26–8, 29, 32, 33–7
- key informants, interviews with 18, 19
- lacquer mini-zones 111–12
- lacquerware handicrafts 101, 103, 105–6, 107, 107–13, 152–3
- Lamphun 131
- land: access to 34–5, 37, 64, 95–6; de-linking from its central role in Thailand 141–2; holdings in Tanzania 167, 168; landlessness in Vietnam 76; prices 138; shortage on Tanzania's mining frontier 163–4, 165, 167, 168, 171
- Laos 125
- large-scale mining 189–97 *passim*; diamonds 161–2, 163, 171, 190; gold 176–7, 182–3, 185, 189, 190, 192, 194; livelihoods 190–2; rural–urban transitions 194–5
- laterite feeder road 137
- legislation affecting mining 190–1
- Lerise, F. 11
- licensed buying companies (LBCs) 24–5, 30, 32, 33
- linkages, rural–urban 9–12
- livelihood and economy approach 11–12
- livelihood trajectories 15–16
- livelihoods 7, 14–16, 96; changes on Thailand's factory frontier 138–9, 141–4; coffee frontier in Vietnam 51–4; diversification 6, 201–2;

- Ghanaian pineapple frontier 64–71;  
handicrafts in Vietnam 107–9; mining  
frontiers 165–7, 180–4, 190–2
- livestock production 53, 54
- local economy 11; handicraft/  
manufacturing activity and 153–4;  
mining's linkages to 195
- local governments 11
- local growth centres 203–4
- local traders *see* traders/trading
- localism 117, 131
- location 33–4, 37, 94
- Long, N. 14
- Lynch, K. 11
- Ma, L.J.C. 155
- macro-economic policies 11
- Maganzo 158, 161–4, 164–73
- Malaysia 134
- mango wood-craft 118, 119–20, 123–5,  
128, 152–3
- mangoes 75, 77, 78, 79–80, 86
- manufacturing 83; *see also* handicraft  
and manufacturing frontier
- market chains 85–6
- markets 6, 12–14; domestic for  
agricultural products 94; fruit markets  
in Vietnam 86, 87; global for  
agricultural products 60–3, 75, 91–4;  
handicrafts 105, 106
- mature pioneer settlement 50
- MD2 pineapple 59, 62–3, 69, 70
- mechanisation 119
- Mekong Delta 6, 74–89, 90–8 *passim*;  
income diversification 81–2;  
migration, mobility and remittances  
83–5; settlements 78–81; traders and  
rural development 85–7
- Melhuus, M. 17
- methodology 18–20
- middlemen 105
- migration 3, 10, 155; Ghana's pineapple  
belt 66, 67–8, 70; migrant settlements  
on Ghana's cocoa frontier 30–2,  
33–7; mining frontier 164–5, 185,  
192–4; Thailand's factory frontier  
137, 140–1, 144–5; Thailand's  
handicraft frontier 124–5; Vietnam's  
coffee belt 44–5, 51, 54–5; Vietnam's  
Mekong Delta 83–5; *see also*  
mobility
- Mikesell, M.W. 2
- milk fruit 77, 78, 78–9, 86
- mine owners 191–2
- mining frontiers 4–5, 7, 189–97, 199;  
Ghana 7, 175–88, 189–97 *passim*;  
livelihoods 165–7, 180–4, 190–2;  
rural–urban transitions 194–6;  
Tanzania 7, 158–74, 189–97 *passim*;  
urbanisation and migration 192–4
- mobility 16–17, 96, 202; Ghana's cocoa  
frontier 36–7, 37; handicrafts in  
Vietnam 109–10; mining frontier 196;  
policy implications 202–3; Thailand's  
factory frontier 138–9, 144–7, 148;  
Vietnam's coffee belt 54–5; Vietnam's  
Mekong Delta 83–5; *see also*  
migration
- multiplier effects 172
- multi-spatial households 10
- Mwadui Williamson diamond mine  
161–2, 163, 171, 190
- My Hoa commune 80
- My Thoi I settlement 78, 79, 80–1, 81–8
- Na Ayuthaya 116
- national development, rural–urban  
dynamics and 199–201
- New Atuabo 186
- New Economic Zone (NEZ)  
programmes 44
- 'new mobilities' paradigm 16–17
- Nijman, J. 17
- Nyarugusu 158, 160–1, 164–73
- Nyerere, J. 160, 162
- Obom 65–71
- occupational status 129–30
- OTOP (One Tambon, One Product)  
policy 120
- Owusu, G. 25–6
- Oxfam 46, 57
- Parnwell, M.J.G. 117
- pepper 54
- peri-urban settlement 48–9
- Philippines 134
- pieceworkers 127, 129
- pineapples 6, 59–73, 90–8 *passim*, 201;  
boom years 68–9; dynamics in the  
global market 60–3; Ghanaian  
pineapple frontier 64–71; post-boom  
phase 69–71
- pioneers 2; mature pioneer settlement  
50
- pit holders 160, 191
- planned resettlement programmes 44–5,  
203

- plantations, pineapple 68–9, 70  
 Pokrom Nsaba 65–71  
 policy implications 202–5  
 policy seminars 20–1  
 pollution 111, 112  
 pomelo 77, 78, 80, 81–2, 86  
 population growth 26  
*por saa* (paper mulberry tree) 125  
 pots, earthenware 119  
 poverty: mining frontier and 184–6, 196;  
     Thailand 128–9  
 power 15–16  
 Precious Minerals Marketing Company  
     (PMMC) 184  
 preferred suppliers 61  
 prices: coffee 43; fixed price for cocoa in  
     Ghana 24, 25; fluctuations 3  
 Primary Mining Licences (PMLs) 160,  
     173, 191  
 processing technologies 92–3  
 Produce Buying Company (PBC) 24,  
     38  
 producer-driven chains 13  
 pro-growth policy mechanisms 204  
 prostitution 180  
 public services 32, 172, 204
- Quang Hiep commune 46, 47, 48, 49,  
     50, 51–5  
 Quat Dong 101, 102, 103–5, 107–13  
 questionnaire survey 18, 19–20
- railways 66–7, 177  
 recreational services 172  
 Red River Delta 6, 76, 99–115, 151–7  
     *passim*; changing nature of  
     handicraft production 101–6;  
     craft villages 100–1; livelihoods  
     107–9; mobility 109–10; settlement  
     110–13  
 regional development policies 154  
 remittances 10; Ghana 185; Vietnam  
     83, 84–5, 109–10  
 resettlement schemes 44–5, 203  
 resource-rich areas 200–1, 202, 203  
 retailing 60  
 rice farming 52; Thailand 118–19, 120,  
     121–2, 137–8  
 Rigg, J. 12, 16–17  
 ‘Robusta’ coffee 42  
 Rojana Industrial Park 136–7, 140,  
     145  
 rural development: on Thailand’s  
     handicrafts frontier and rural  
     development paradigms 127–30;  
     Vietnam’s fruit frontier 85–7  
 rural poverty-alleviation programmes  
     117  
 rural–urban dynamics 6, 9–22, 198–205;  
     common methodology 18–20;  
     comparative approach 17–18;  
     conceptualising 9–17; data analysis  
     and dissemination 20–1; in frontiers  
     198–9; livelihoods 14–16; markets  
     12–14; mobility 16–17; at national and  
     continental levels 199–202;  
     performing comparison 17–21; policy  
     implications 202–5  
 rural–urban linkages 9–12  
 rural urbanisation 100–1, 114
- saa* (mulberry) paper production 118,  
     121, 123, 125–7, 128, 152–3  
 sand tailings 162, 173  
 sedentarisation programme 44–5  
 self-employment 182  
 semi-structured interviews 18, 19  
 services: agricultural frontier 32, 35–6,  
     86, 95; connected to mining 172, 195;  
     services sector in Vietnam 83  
 settlement cycle 193  
 settlements 3–4, 199; formation and  
     growth on mining frontiers 193–4,  
     196, 199; Ghana’s cocoa frontier  
     25–32; Ghana’s pineapple frontier  
     64–71; gold mining in Ghana 177–80;  
     selection for study 18–19; Tanzania’s  
     mining frontier 159–64, 170–2;  
     Thailand’s factory frontier 135–8;  
     Thailand’s handicrafts frontier  
     118–22; trajectories on agricultural  
     frontier 33–7, 94–6; urban momentum  
     of frontier settlement growth 170–2;  
     Vietnam’s coffee belt 45–51;  
     Vietnam’s handicraft frontier 110–13;  
     Vietnam’s Mekong Delta 78–81
- Shen, Xiaoping 155  
 Shinyanga 172  
 Shively, G. 3, 42, 43  
 skilled/semi-skilled work, shift to 142–3  
 small-scale gold-buying firms 183–4  
 small-scale mining 172, 189–97 *passim*;  
     diamonds 161–4, 191–2; gold in  
     Ghana 176–7, 183, 185, 190, 192; gold  
     in Tanzania 160–1, 191, 192;  
     livelihoods 190–2; rural–urban  
     dynamics 194–5; settlement growth  
     193–4

- small towns: development on Ghana's cocoa frontier 6, 25–38; Vietnam's fruit frontier 85–7
- smallholders: and agricultural markets 93–4; coffee production 42, 43, 48, 51, 53, 56; pineapple production 59–73; producer groups 92
- Smooth Cayenne pineapple 59, 62–3, 68, 69, 70
- social and cultural approach 11–12
- social networks 128
- space: forces shaping rural and urban spaces on handicraft and manufacturing frontier 154–6; spatial disaggregation 128; spatial processes 127–8
- standards for agricultural products 61, 92
- state: and agricultural markets 93; policy implications 202–5; state strategy and frontier development 3
- state-owned enterprises (SOEs) 43
- 'stretched' settlement 50–1
- structural adjustment programmes 24, 176
- sub-contractors 124, 126–7
- sub-culture, mining settlements' 195–6
- sufficiency economy 127
- supermarkets 60–1, 91–2, 144
- supply chains 61
- survival strategies 15
- Tacoli, C. 9–10, 17, 151
- Tambon Khan Haam 135–7, 140–1, 144
- Tanzania 4, 5, 7, 158–74, 189–97 *passim*; Mining Act 1979 173; Mining Act 1998 173; Small Scale Mining Policy Paper 173; urbanisation trends 159
- Tarkwa 177–86
- teak-based crafts 119–20, 123
- Teberbie 177–86
- Teberbie Goldfields (TG) Ltd 179
- technical support 203
- textile factories 138, 140
- Thailand 4, 5; factory frontier 7, 134–50, 151–7 *passim*; handicraft frontier 6–7, 116–33, 151–7 *passim*, 198; regional development policies 154
- Thompson, E.C. 12, 147, 149, 155
- Tien Giang Province 76–8, 78–80, 81–8
- tourism 105, 106
- traders/trading: agricultural frontiers 31–2, 85–7, 94; mining frontiers 166, 180–1
- traditional frontiers 91
- transnational companies (TNCs) 91
- transport 55, 145–6
- turbulence 138–47
- Turner, F.J. 2
- unemployment 184–6
- United Kingdom Department for International Development (DFID) 15
- United States pineapple plantation companies 62–3
- unskilled labour 184
- upgrading 13, 14
- urban 'becoming' 155
- urbanisation: *in situ* 85–7, 167–70; mining frontier 167–70, 192–4; rural 100–1, 114
- vertical approach to policy 204
- Vietnam 4–5, 134, 202; centralised planning 202; coffee frontier 6, 41–58, 90–8 *passim*, 202; coffee sector 42–4; *Doi Moi* policies 41, 42, 74–5, 99, 154; fruit production in the Mekong Delta 6, 74–89, 90–8 *passim*; fruit sector 74–6; handicraft frontier 6, 99–115, 151–7 *passim*; Ministry of Agriculture and Rural Development 99; Ministry of Industry 101
- Village Chiang Mai* 116
- Vinh Kim commune 78–9
- Vinh Long Province 76–8, 80–1, 81–8
- Vinh Thoi 78–9, 81–8
- virtuous cycle of farm–nonfarm relations 151–4
- wage labouring 53–4, 70, 119, 128–9
- Ward, K. 17
- Wassa West District, Ghana 175–88, 189
- water shortage, on Tanzanian mining frontier 163, 170, 171
- 'wet coffee' 43
- Williamson diamond mine 161–2, 163, 171, 190
- wood-based handicrafts 119–20; *see also* mango wood-craft



workshops 18

World Bank 116

*World Development Report 2009* 154,  
204–5

World Trade Organization (WTO) 75

yields, coffee 52, 53

young people: Ghana's mining frontier  
184–5; handicraft production 108–9

Zoomers, A. 15–16