

Livelihoods in the Kumasi Peri-Urban Interface (KPUI)

Introduction

This brief presents information that can assist NGOs and policy makers to mitigate the impact of Kumasi's growth on its surrounding rural population¹. It documents how people's livelihoods within the Kumasi peri-urban interface (KPUI)² are being transformed by the effects of urbanisation and their attempts to adapt to these changes. Though urbanisation creates opportunities in wage employment and trading for people in peri-urban areas, and provides them with some access to services and infrastructure, it usually comes with intense competition for land, population pressure and pollution and health hazards - all of which pose serious challenges to people's livelihoods and in turn policy makers and implementers.

In the particular case of the KPUI, earlier research³ has mapped how livelihoods are evolving in response to the pressures of urbanisation. Water pollution and rapid, and often irreversible conversion of agricultural land into housing and small-scale industries undermines the traditionally dominant crop production within the KPUI. Local chiefs control land transactions and rarely compensate farmers when farm lands are sold. Farmers respond to the pressures on land by adopting short term coping strategies (e.g. reduction in fallow periods) with adverse consequences for the sustainability of crop farming within the KPUI. They also seek to diversify into non-farm livelihood activities. Yet such opportunities are not always available or accessible. With the continued influx of people, there is evident change in the social composition of the KPUI which in turn shapes the ways in which people construct their livelihoods. A better appreciation of these changes and their impact on peri-urban livelihoods is critical for pro-poor policy formulation and policy targeting.

Crop Farming in the KPUI

Crop farming - the dominant livelihood activity

Crop production continues to be a significant source of subsistence for KPUI inhabitants, both as a major and supplementary source of income. However, the adoption of crop farming declines with increasing urbanisation of peri-urban communities⁴. The majority of those who adopted crop farming live in more rural parts of the KPUI with fewer farmers being located in intermediate and urban locations. This is not surprising given the greater magnitude of landlessness and land loss with increasing proximity to Kumasi. It is apparent, therefore, that the urbanisation of Kumasi has had a varied distributive impact on the livelihoods of the people of the KPUI.

A major reason for the continued significance of crop farming in the KPUI, in spite of the reduction in farmlands, includes the fact that crop farming has traditionally been the mainstay of the communities. Furthermore, crop farming remains widespread because it requires low start up capital compared to non-farm activities such as trading. The lack of awareness of the risks and benefits arising from new non-farm undertakings is also one of the reasons for the reluctance of poor people in the KPUI to venture into unfamiliar non-farm activities. Crop farming is particularly critical as an additional source of income for those involved in activities with long gestation periods such as grasscutter, snail and rabbit rearing.

Quick Returns - the over-riding consideration in choice of crops

The over-riding consideration in the choice of crop is the ability of crops to generate quick returns, which means that crops with shorter production cycles such as vegetables are preferred. Such consideration is instigated by the need for regular cash income within a monetised

peri-urban economy but is also a response for greater urban demand for peri-urban agro-produce.

Urban market factors are additional considerations that influence the choice of crops. KPUI farmers adjust their choice of crops according to market opportunities and constraints such that crops for which there is a better urban demand are preferred. For instance, cassava, the main component of 'fufu', the staple for most KPUI and urban households in Kumasi, is widely cultivated in peri-urban areas because of the high demand for it. Traditional and exotic vegetable production is also attractive because of the high demand for it in Kumasi.

Also factored into the consideration is the amount of land available to farmers which is rapidly declining within the KPUI. Vegetable farming, which generates more profit using less space than traditional food crops, is particularly preferred in urbanised parts of the KPUI where there is more severe shortage of land. However, there are barriers of entry into vegetable farming including the need to constantly water the vegetables, their high vulnerability to pests, which necessitates the frequent spraying with pesticides, and which adds to the cost of production and destroys the natural based resources of the KPUI.

Vegetable farming and market proximity - the recipe for higher returns

Traditional crop farmers were left with a higher percentage of outstanding debt compared to those cultivating vegetables. It appears that vegetable farmers are able to repay more of their debt than those cultivating other crops. It gets even better with non-traditional (i.e. exotic) vegetables, which sell at higher prices compared to the local ones. Vegetable production could, relative to other crops, have a more positive impact on the livelihoods of the poor in the KPUI.

Another significant finding relates to the debt repayment ability of farmers in the KPUI was that, those in urban locations had the lowest debt. This is likely to be associated with proximity to the urban market and the ability of the farmers to respond quickly to urban demand. However, farmers in intermediate locations of the KPUI had higher debt overhang than their counterparts in both urban and more rural locations.

Land scarcity - a major threat to peri-urban farming

The ever increasing pressures on peri-urban land, brought on by rapid urbanisation, have led to the gradual squeezing out of farming as a means of livelihood in peri-urban communities. The intensity of the squeeze, and the survival strategies adopted by the farmers, varies from location to location within the KPUI continuum. For farmers in more intermediate and rural parts of the KPUI, it is still possible to access family land in upland locations. However, those with access to family land are aware of the threats to farming arising particularly from the conversion of land for residential and industrial use. In the event of their land being sold for estate developments, some KPUI farmers are prepared to either rent land in valley bottoms or even cultivate land away from the community rather than giving up crop farming altogether.

Where land is already allocated for building, some farmers engage in opportunistic cultivation, characterised by short season crop production. The fact that construction can begin at any time without notification renders this form of access to land highly insecure. Others enter sharecropping arrangements with other landowners, at times urban inhabitants, to access land. Renting is a further common means of accessing land, but the costs were rising with increasing urbanization of KPUI communities. With shrinking land for crop farming, some KPUI farmers cultivate land away from the PUI, thereby becoming

absentee farmers. There is also an evident concentration of vegetable farming in valley bottoms and a decline in upland farming within the KPUI.

Other threats to peri-urban farming include: water pollution particularly in the case of vegetable farming, rising cost of agricultural farm hands due to competition from urban wage employment opportunities, seasonal price fluctuations, market saturation, low prices, and the risk of harvest failure due to late or insufficient rains.

Trading in the KPUI

Trading - the most successful livelihood activity

Trading is one of the most successful livelihood activities in the KPUI. Even loan beneficiaries who had opted for crop farming in the initial cycles of loan disbursement, shifted into trading during latter cycles.

Quick returns - the over-riding consideration in peri-urban trading

Trading becomes more dominant with greater urbanisation presumably due to increased market opportunities making trading more attractive. The over-riding consideration in the adoption of trading as a livelihood activity was that it generates returns on a daily basis making it possible for beneficiaries to save on a daily basis.

The fact that trading requires less space/land than crop farming was also identified as a reason for its popularity.

Food - the most traded item

Trading is concentrated more in the urban communities of the KPUI than in rural parts, with food, both cooked and uncooked being the main items traded. The trend reflects people's greater dependence on purchased food items within the KPUI as they shift away from subsistence crop

production. Trade in uncooked food is preferred to that of cooked food because the former has longer shelf life and requires a lower capital outlay. On the other hand, the gross returns from cooked food trade are significantly higher than trade in agricultural produce.

Trade in non-food items is limited, mainly because they are either difficult to access, or require a higher start-up capital. Yet, those trading in non-food items, it was noted, had lower outstanding debt than those selling food items, suggesting the greater profitability of the former. It is also the case that profit margins for trade in food items are lower than that of trade in non-food items.

Trading - a promising potential for poverty reduction

The amount of capital available to traders partly determines where they obtain their supplies, and which in turn determines the profit margins. Buying from rural producers affords higher profit margins, but the huge capital outlay required to buy in bulk and the transportation difficulties prevents many from doing this. Most obtain their supplies from urban or peri-urban wholesalers who in turn purchase from rural areas.

On the whole, all those engaged in trading within the KPUI felt they had benefited in income terms. This suggests that trading has a poverty reduction potential.

Space - a major constraint to trading in the KPUI

Evidence from the BYN project shows that, even though trading requires less space than farming the urbanisation-induced squeeze on land has rendered space a major constraint to trading, especially in more urbanised communities, where competition for space is most acute.

Kiosk acquisition or renting is costly and requires licensing. Stalls in local peri-urban

markets are also becoming costly and scarce as demand increases. Strategies adopted by KPUI farmers in response to this include street hawking, selling from tabletops on roadsides, and from tables in front of homes of those living by roads. Decisions on marketing strategies vary from one peri-urban community to the other, depending on the existence of a local market, its size, the demand for the goods sold and the extent of competition from other traders. Competition on the whole is very intense amongst traders within the KPUI.

The Gender Dimension of Livelihood Choices in the KPUI

Traditional gender roles determine livelihood choices

It was clear that gender stereotyped roles underpinned livelihood choices, with men mostly opting for non-farm natural resource based livelihood activities, while women mostly went in for trading. Women dominated in almost all the livelihood activities, except grasscutter rearing where men constituted the majority of those engaged in that activity.

Trading - a gendered livelihood activity

Trading in the KPUI is a gendered livelihood activity. Females dominate it reflecting the traditional division of labour in the KPUI where trading is primarily women's responsibility. Men are more interested in farming and livestock rearing, and prefer to sell from kiosks and sell non-food items if they are to trade.

Men fare better in crop farming

Though there were no significant gendered differences in the adoption of crop farming, it appears that men on the whole fare better, with a lower debt over-hang than women. A possible explanation for this is that men are increasingly moving into the lucrative vegetable production business, which was previously considered women's domain.

Further men do most of the farm work themselves, while women depend on hired farm labour for clearing and preparation of the land for cultivation, adding to their production cost and reducing their profit margins. By requesting higher start up capital than women, men demonstrate greater willingness to take risk in their livelihood projects.

The Gender Dimension of Livelihood Outcomes in the KPUI

On the whole women than men reported increases in incomes as a consequence of adopting new livelihood activities. This is possibly because more women were engaged in trading, which proved the most lucrative venture.

The long gestation periods of non-farm natural resource based livelihood activities, means less men reporting increased income as a benefit. For many in this category, exposure to new technology through skills training was readily identified as the benefit. Those who adopted non-farm natural resource based activities also reported having more time to spare as a benefit.

However, although more women reported increased incomes, their average debt overhang was higher compared than that of men. The explanation for this is that women were using more of their income to cover household expenses compared to men.

The contribution of livelihood activities to household consumption is a critical livelihood outcome, which also determines adoption of those activities. Many of those engaged in crop farming, trading and non farm natural resource based activities (such as snail and mushroom rearing) noted that these were important supplementary sources of nutrition for their households.

The Location and Space Factors in Livelihood Choices and Outcomes in the KPUI

Location and Space matter in choice of livelihoods

The more rural the location, the more people opt for farming; and the more urban the more they opt for trading. KPUI inhabitants in urban locations enjoy quicker and higher returns on their investments, compared to those in rural locations, primarily because those in urban locations were more into trading, the most financially rewarding activity. Dependency on credit was found to be lower in urban locations than in rural locations but higher than both in intermediate locations, suggesting that those in the intermediate zones were more disadvantaged. They were neither close to the urban markets, nor had easy access to land for farming.

Summary of Key Aspects of Peri-Urban Livelihoods

- *The Peri-urban continuum*

The availability of land and space, market proximity and traditions vary according to levels of urbanisation within the KPUI continuum. In turn, this causes differentiation in livelihood opportunities and constraints. People's livelihoods are thus affected by urbanisation in different ways and to different degrees, depending on their location within the KPUI.

- *Monetised Urban Economy*

When rural spaces on the fringe of urban centres are engulfed by urbanisation, they become exposed to sources of vulnerability and poverty typical of urban livelihoods including integration into a monetised economy. This affects the adoption of livelihood activities as well as the outcomes they generate.

- *Traditional vs. New Livelihood Activities*

Urbanisation threatens the traditionally dominant crop farming activity. Yet, poor people continue to engage in livelihood

activities with which they are familiar even where there are risks involved. For instance, crop farming is maintained within the KPUI despite the imminent risks of land loss. At the same time, KPUI inhabitants are aware of opportunities arising from urbanisation and, where possible, take advantage of them.

- *Gendered differences in the Impact of Urbanisation*

Traditional gender roles and relations remain largely intact within the KPUI. Men and women are affected by and react to the effects of urbanisation differently.

Lessons and Policy Implications of the BYN Project

The project offers several useful lessons for policy makers and development practitioners. It provides evidence to the effect that peri-urban livelihoods exhibit distinctive features, which must be taken into consideration in pro-poor policy design and implementation. On the basis of the findings presented herewith, the following policy suggestions can be made:

- When introducing livelihood activities within the KPUI, it is important to consider their relevance to particular locations. Trading appears more appropriate for more urbanised communities of the KPUI whilst farming is better suited to less urbanised parts of the KPUI.
- Livelihood activities that generate income regularly are more appropriate within a monetised peri-urban economy. The need to access income regularly was the overriding determinant of KPUI inhabitant's choice of livelihood activities.
- Vegetable cultivation has a high potential for generating income for poor households in the KPUI. However, they will require financial support to overcome some of the barriers of entry such as the high cost of seeds and pesticides.

- Since a greater proportion of women's income is ploughed into household consumption, support provided to women would have a greater impact on other household members.
- It is important to recognize that traditional gender roles determine the choice and adoption of livelihood activities within the KPUI. (e.g. women's dominance in trading and men's reluctance to participate in this activity).
- Men were more likely to participate in and benefit from activities, which require the transfer of new skills and knowledge. It is important to encourage women's acquisition of skills as this contributes to the sustainability of peri-urban livelihoods.
- Activities that make direct contributions towards household consumption were preferred by KPUI inhabitants (e.g. both crop farming and trade of food items). It is important to support such activities particularly in the light of the decline in subsistence production within the KPUI.

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¹ The findings presented here are derived from a three year livelihood project named "Who Can Help the Peri-urban Poor" or **Boafo ye Na** (BYN) implemented by the Centre for the Development of People (CEDEP) in the Kumasi Peri-Urban Interface (KPUI) in Ashanti Region of Ghana. This document is an output from a project funded by the Natural Resources Systems Programme (NRSP) of the UK Department for International Development (DFID) for the benefit of developing countries. The views expressed are not necessarily those of DFID.

² The peri-urban interface can be defined as a zone which is spatially located between urban and rural areas where livelihoods and the environment (both natural and built) are under constant pressure from urban expansion.

³Final Technical Report, Further Knowledge of Livelihoods Affected by Urban Transition (R7854); Final Technical Report, Kumasi Natural Resource

Management (R6799); Final Technical Report, Implementation Plans for Natural Resource Management Strategies for KPUI (R7995); Final Technical Report, Peri-urban Natural Resource Management at the Water Shed Level, Kumasi Ghana (R6799)

⁴ KPUI communities exist along a continuum within which communities can be classified into urban, intermediate and rural, depending on land use patterns (i.e. for housing or crop production) and the availability of facilities and services.

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