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‘Associations do not survive here’: Inequality, Mistrust and Obstacles to Collective Action in Oil Palm Growing Communities in Ghana

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Abstract

Collective action through farmer-based organisations (FBOs) could potentially improve the livelihoods of smallholder farmers by opening up access to credit and inputs, overcoming market constraints, and reducing transaction costs. However, in the absence of strong or well-functioning farmer associations, the cost of market participation is likely to exacerbate economic hardships and inequalities among smallholders. Based on qualitative data from five oil palm growing communities in southwestern Ghana, we observe a general decline in associational life, driven by a breakdown of trust among farmers. The inability of poorer farmers to meet their collective obligations over time has weakened attempts at collective action and encouraged the emergence of highly individualised economic relations in the local agrarian economy. Under these circumstances, cooperation tends to be limited to small groups of better-off farmers who can afford the cost of cooperation. The result is a vicious cycle in which wealth disparities widen because the cost of participating in livelihood-enhancing collective schemes ends up excluding exactly those who need such schemes the most.

Keywords

Trust, collective action, inequality, farmer-based organisations, agrarian livelihoods

Introduction

After more than a century of commercialised cultivation of oil palm in Ghana, the expected improvements in smallholder livelihoods and the national economy have not materialised (Asante, 2023). The reasons for this are multiple, ranging from historical and political factors that inhibit the

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effectiveness of policies targeting the sector (Asante, 2021; Teye and Torvikey, 2018) to household-level factors that explain why some smallholders are unable to realise the welfare-enhancing potential of oil palm cultivation (Dzanku et al., 2020; Saha et al., 2022). While agricultural commercialisation is recognised as a pathway out of rural poverty, successful commercialisation at the household level requires the ability to meet high upfront costs that poorer farmers may not be able to afford on their own. Indeed, household economic security is rightly understood to be a crucial factor in smallholders' 'capacity for commercialisation' because it is central to farmers' ability 'to respond to the risks from commercialisation' (Saha et al., 2022: 3).

There is ample evidence in the literature that collective action can help smallholder farmers to overcome barriers to commercialisation by reducing transaction costs, enabling access to inputs and credit, and overcoming market constraints (Fischer and Qaim, 2014; Francesconi and Ruben, 2007; Kibirige, 2016; Markelova et al., 2009; Nyikahadzoi et al., 2011). However, strong and well-functioning associations do not emerge automatically. They need to be carefully nurtured over time, through the expenditure of personal and collective resources, and sustained by trust. In the absence of strong associations, smallholders may be forced to participate in market exchanges as atomised individuals. If this happens, commercialisation is likely to impose heavy costs on the destitute.

Drawing on qualitative data from five oil palm producing communities in south western Ghana, we explore the relationship between smallholder livelihoods and the quality of associational life. We find that collective action in the study communities is markedly weak even though farmers acknowledged that FBOs improved their access to important market information, agricultural inputs, lucrative markets, and extension services. This situation is partly explained by the inability of poorer farmers to meet their financial obligations to their associations, as well as mistrust stemming from a history of unaccountable leadership of these associations. In the absence of strong vehicles for collective action, economic transactions in these otherwise close-knit communities are dominated by highly individualised exchanges, without protection from market or state failures. Where economic cooperation does occur, it tends to be limited to small groups of better-off farmers who can afford the upfront costs of cooperation, leading to increasing inequality as the cost of participating in collective action schemes ends up excluding the poor who need it the most.

The rest of the paper is organised as follows: the next section reviews the literature on agricultural commercialisation and collective action. The third section briefly describes the methods, and the fourth section presents the findings. The final section concludes with brief reflections on the material bases of trust and the implications for inequality.

Agricultural commercialisation and smallholder livelihoods

According to Poulton (2017), agricultural commercialisation 'occurs when agricultural enterprises and/or the agricultural sector as a whole rely increasingly on the market for the sale of produce and for the acquisition of inputs, including labour' (p. 4). By encouraging high rates of market participation, agricultural commercialisation is expected to improve smallholder livelihoods by redirecting productive effort from semi-subsistence to production for local, national and international markets (Dorward and Kydd, 2002).

Agricultural commercialisation has been credited with improving livelihoods at the household and national levels (Cazzuffi et al., 2020; Kibirige, 2016; Poulton, 2017; Von Braun, 1995), as well as driving industrial growth and economic transformation in both developed and developing countries. For instance, Kibirige (2016) observes that large-scale agricultural commercialisation, using modern technologies and inputs, has contributed substantially to economic and industrial growth in developed countries. Successful agricultural commercialisation directly creates employment and augments agricultural labour productivity (Von Braun, 1995). Large-scale farms and their associated processing operations often create spill-over effects and employment for households in the surrounding areas (Cazzuffi et al., 2020; Poulton, 2017).

However, several barriers prevent smallholders from reaping the benefits of agricultural commercialisation. Rooted in a lack of financial means, these barriers include small farm sizes, poor cash flow and lack of access to improved inputs, among others (Arias et al., 2013). In general, smallholder farmers are unable to make the necessary investment to scale up production because they are denied credit facilities based on their 'household demographics, socioeconomic and farm characteristics' (Mutero et al., 2016: 41) as well as their inability to provide collateral. In the absence of personal resources or institutional support, smallholders may be able to leverage the combined resources of a farmers' association or cooperative to overcome these obstacles to successful commercialisation. Therefore, collective action is crucial for smallholder productivity and livelihood.

Collective action and the question of trust

Collective action depends on people's willingness to subordinate their narrow individual interests for the attainment of common goals. Participating in collective schemes is attractive because the benefits are much greater than those gained by working alone. The concept provides an analytical lens for studying organisational activity in a variety of social contexts, from grassroots mobilisation to national and transnational organisation and coordination (Clément, 2015; Schulze-Cleven, 2017; Tilly, 1985; Valdez, 2011). Voluntary associations serve as important vehicles for collective action by bringing together diverse social groups and are, thus, considered essential for sustaining modern democratic societies and promoting income-generating activities among the poor (Pfaff and Valdez, 2011; Putnam, 2000).

In developing countries characterised by weak state institutions or marketing structures, collective action is understood to play an even more crucial role. In agrarian communities where failures of states and markets severely curtail access to roads, schools, health facilities, and potable water, grassroots organisations can enable community members to work together to overcome some of these problems. For instance, farmers can reduce costs by pooling resources to transport their goods to marketing centres or establishing savings schemes to compensate for the lack of access to credit from formal financial institutions (Markelova et al., 2009). A recent review by Tirivayi et al. (2018) concludes that there is a strong potential for voluntary associations like forest-producer organisations to contribute to the expansion of access to social protection among underserved rural populations, through their provision of informal insurance and social services to community members.

Consequently, collective action has been proposed as a viable pathway out of poverty for rural households. Mobilising the network of relationships among social actors, and the benefits that derive from these relationships (Aldrich and Meyer, 2015; Portes, 1998), can empower communities to confront a range of material threats to lives and livelihoods (Adger, 2003; Otieno, 2020; Warren et al., 2001), as well as problems arising from unequal institutional and power arrangements (Mwangi and Markelova, 2009). Studies on agrarian communities also show that social capital is associated with a variety of positive livelihood outcomes among smallholder farmers. A review of studies on agricultural productivity in Nigeria shows that farmers who participate in informal organisations have more access to informal credit and tend to have higher levels of productivity (Liverpool-Tasie et al., 2011).

Studies in Ghana have equally shown that collective action empowers farmers to overcome individual constraints through increased access to social and material support (Wuepper and Sauer, 2016). Networks of trust among value-chain participants, like traders, government agencies, and aid organisations, have been shown to improve access to much-needed inputs, technologies, and services. For instance, (Kansanga, 2017: 718) has shown that by drawing on the resources inherent in their networks, some smallholder farmers are able 'first to purchase personal tractors and second, to gain timely access to tractor-hire ploughing services at the community level'.

However, many other studies (see Cleaver, 2005; Fonte and Cucco, 2017; Koutsou et al., 2014; Ochieng et al., 2018; Offer, 2012) caution against both analytical and programmatic over-dependence on informal networks of social support to fill the gap left by market and state failure. In many places, participation in farmer groups for collective action remains low, owing to low levels of social trust (Koutsou et al., 2014). In many the strength or cohesiveness of associational life is predicated on the quality of interpersonal social relations (Van Rijn et al., 2012).[1]

Trust is, therefore, a very important, though often overlooked, element of collective action (Fu, 2004) that lays the foundation for cooperation and reciprocity (Siisianen, 1999). In fact, interpersonal trust is so important to the continued existence of networks that groups often develop various mechanisms to monitor behaviour and to enforce compliance with group norms. These mechanisms vary in severity from informal sanctions, such as ridicule, to extreme measures like ostracism and even banishment (Portes and Sensenbrenner, 1993). Hence, the view that collective action provides a blank cheque that members of a community can draw on at will, with little or no cost to themselves, is excessively romantic. Indeed, studies have shown that in some cases, entrepreneurs may prefer to forego whatever comforts or material supports their communities may provide if they find the reciprocal obligations from those communities to be too onerous or restrictive (Asante, 2018; Portes, 1998).

This implies that collective action is not equally available to all members of a community. Since material resources are unequally distributed, the capacity to create and sustain trust is also unequally distributed in any community. Hence, poorer individuals are at a distinct disadvantage, as their material circumstances predispose them to short-term economic calculations that may disadvantage the other party in long-term economic relations, thus destroying the basis for subsequent cooperation. Indeed, in some cases, adverse incorporation into social networks can trap the poorest in chronic poverty by forcing them to accumulate mutual obligations that absorb all disposable incomes and make it impossible for them to acquire assets or invest in income-generating activities (Hickey and Du Toit, 2013). This means that, for the poor, cooperation can be a double-edged sword.

Methods

Data for this study come from qualitative fieldwork in five oil palm-producing communities in southwestern Ghana. The study was conducted to examine the broad socio-economic context within which oil palm cultivation takes place in the study area. The study formed part of a broader project that sought to understand how individual-level, community, and structural factors affected the livelihoods of smallholder farmers. With specific reference to this paper, the study sought to investigate the relationship between farmers' livelihoods and their ability to meaningfully participate in FBOs and collective action.

We employed a multi-stage sampling approach to select the locations for the study. First, we used quota sampling to select two districts in the Western Region of Ghana, namely Ahanta West and Mpohor. These districts host two of the largest industrial oil palm plantations in the country. Norpalm Ghana Ltd (NGL) is located in Ahanta West while the Benso Oil Palm Plantation (BOPP) is located in Mpohor. Based on previous research that suggests that proximity to segmented markets influenced the marketing strategies of smallholder farmers (Dzanku and Hodey, 2019; Dzanku et al., 2020, 2023), we selected four communities from the two districts based on the dominant oil palm markets identified, namely,

1. BOPP
2. NGL
3. A medium-scale mill called B-BOVID (Building Business on Values, Integrity and Dignity); and
4. Sales on local markets

For comparison purposes, we also selected a fifth community that combined all four commercialisation channels. These selected communities were Adum Dominase (BOPP), Kwesikrom (NGL), Pretsea (B-BOVID), Butre (independent), and New Akwidaa (mixed). In each of the five communities, farming was the main economic activity. In addition to oil palm, cocoa, coconut and rubber are important cash crops grown in the study communities. Off-farm economic activities include artisanal processing of oil palm, local transport of farm produce using tricycles, buying agents or aggregators, and petty trading. Many of our respondents were involved in both on-farm and off-farm economic activities.

In each community, we purposively sampled five households based on the criteria of the household being an oil palm-producing one. Data were collected in April 2019 by a team of trained and experienced field assistants. The main data collection methods were focused group discussions (FGD) and key informant interviews (KII), with the aid of a semi-structured interview guide. At the household level, we conducted 38 interviews comprising household heads, which lasted for an average of one hour and complemented these with shorter interviews with spouses and dependents.[2] For the broader project, we also conducted 25 interviews with actors within the oil palm value chain in the communities, comprising labourers, buying agents and artisanal processors. In addition, a total of 11 key informant interviews were conducted with community chiefs and association leaders, district agricultural extension officers of the MoFA in Mpohor and Ahanta West, and management-level employees at BOPP, NGL and B-BOVID. Also, two farmer FGDs (one each for female and male participants), of between six and eight participants, were conducted in each of the five communities. In each instance, consent was sought from respondents to tape record the interviews.

The data were validated at multiple levels, from the point of data collection, transcription and analysis through data presentation. At the point of data collection, constant checks and daily debriefing exercises by team members ensured consistency in the data being collected. The tape-recorded interviews were carefully transcribed by members of the research team, and checked for accuracy and clarity within the team. The transcripts were then analysed using the Atlas.ti software. At the coding and analysis stage, all team members coded the same selected transcript, after which comparison was made to streamline the codes and achieve inter-coder reliability. The reports from the data analysis were validated through team-member discussions. This paper mainly draws on the farmer subsample of the qualitative data. The next sections present the findings on the state of associational life in the study communities and the role of trust in fostering or undermining collective action.

Associational life in the study communities

The literature suggests that FBOs perform three major functions, namely: (1) education and information dissemination on improved farming practices and income-generating activities; (2) mediation on issues such as access to credit, price-setting and market access; and (3) conviviality and social support (Fonte and Cucco, 2017; Kansanga, 2017; Koutsou et al., 2014). However, effective performance of these functions is not guaranteed. In the study areas, we observed extremely weak levels of associational life, partly due to the huge gulf between their expectations and the reality of meagre benefits of membership. Although they received training on good agronomic practices through their FBOs, farmers still complained that they are yet to see the benefit of these training programmes. For many, the training was pointless if it did not come with the material assistance necessary to put the lessons into practice. For instance, while insisting that they fully understood the importance of adhering to safety standards on their farms, they claim that they could not translate this into practice because they lacked the resources to procure protective materials such as boots, gloves, nose masks and helmets. This is expressed by a female farmer as follows:

> [They bring people to] teach us how to do pruning and other activities. . . . They just say that, but give us nothing with which to do the pruning. They have taught us everything from cultivation, maintenance, harvesting, and even carrying it to the roadside, but we have not received anything from them to date. (Female FGD, Adum Dominase, 24 April 2019)

In the absence of external support, members could rely on the resources that the FBO is able to pool together to collectively overcome obstacles to productivity and, thereby, improve the livelihoods of participating households. For instance, while small-scale processing of palm oil is more profitable than the sale of the raw produce (Dzanku et al., 2020; Dzanku et al., 2023), the adoption of mechanisation is out of the reach of most individual farmers. However, it is possible for smallholders tobenefit from collective mechanisation schemes (Kansanga, 2017). Yet, due to the weakness of FBOs in the study communities, there was virtually no attempt in any of the study communities to collectively engage in artisanal processing.

Associations are also expected to negotiate for better prices and other incentives for producers (Fonte and Cucco, 2017). Farmers in the study communities had derived this benefit from their associations in the past when their FBOs had mediated between them and outside entities like the government or the large industrial mills on issues such as pricing and sales arrangements. Many farmers asserted that they would be *better off* with collective action in pursuit of better prices, sales arrangements, access to credit and access to mechanisation in both production and processing:

> You know the kind of farming we do here we don't have any association that regulates things. . . . People quote the price at which they want to buy your produce. If you say you will not sell it to them it will go to waste. So our work as farmers is sometimes very difficult. (Male farmer, Pretsea, 15 April 2019)

> All oil palm farmers in Ghana can form an association and determine the price. We can have a negotiation with the company [the industrial mill] and get a fixed price that will apply to the sale of oil palm everywhere in Ghana. But we don't have that in this country. (Male FGD, Adum Dominase, 24 April 2019)

One of the greatest constraints to smallholder agricultural development is the lack of access to credit. Measures to develop agriculture in Africa and elsewhere have placed access to credit at the centre of the agenda, in the environment of strengthened farmer groups to share knowledge and improve the productive use of such credit facilities (Kansanga, 2017). However, the farmers in our study attribute their inability to step up their productivity partly to the absence of strong associations:

> . . . The farmers here do not have an association. If we had an association, we would have been able to push for some of these incentives because the government mostly listens to an organised group of people rather than an individual. (Female FGD, Butre, 25 April 2019)

'Some people want to reap off others': factors shaping associational quality in the study areas

A number of factors explain the inability of farmers in the study communities to collectively organise to solve the common problems that confront them. These include the personal or financial cost of cooperation, unrealistic expectations of the FBOs, and mistrust stemming from poor internal governance. First, the associations thrive on members' financial contributions. However, due to the inability of some farmers to make these contributions, the activities of the associations gradually grind to a halt, eventually leading to collapse. One such association in Adum Dominase collapsed partly because 'some members were not paying dues as they ought to' (Male farmer, Adum Dominase, 18 April 2019). While many farmers genuinely lacked the means to pay, the fact that a large enough number of farmers defaulted on payment led to a free-rider problem, where even those who could afford it refused to pay because they believed others were not contributing their fair share. As another respondent in the same community bluntly put it, his association collapsed because 'some people wanted to reap off others' (Male farmer, Adum Dominase, 18 April 2019).

The fear that others would exploit the associations to 'reap off others' was a widespread sentiment that lay at the root of the inability of study communities to nurture strong associations that could mobilise members to undertake collective action. Collective efforts that necessitate economic sacrifice, for instance, a decision to suspend sales until prices rise above a certain level, are especially prone to collapse due to the inability to count on all members to abide by the common decision. Because such endeavours require the adherence of all involved to ensure success, poorer farmers, who are unable to afford the steep upfront cost, tend to become the weakest links in these schemes. In one of the study communities, the farmers agreed to withhold their produce until prices improved, but this effort was eventually thwarted by poorer farmers whose urgent need for cash did not permit them to stick to the agreement long enough for the expected price increment to materialise:

> We can agree to say we will not accept the price at which the buyers buy our palm fruits, but someone in Yawkow [another town] would just go and accept the same [old] amount and we wouldn't even know. That would mean he is undermining the decision we had all agreed on. (Male farmer, Kwesikrom, 20 April 2019)

A second reason for the weakness of FBOs was the disparity between farmers' high expectations of receiving immediate material benefits, and what they experienced as an underwhelming reality once they joined. The high expectations are partly due to the fact that most of these FBOs were initiated by external actors like AEAs, NGOs, government agencies or estate mills like Benso Oil Palm Plantation (BOPP) and Norpalm Ghana Limited (NGL). Disillusionment at the failure of the associations to deliver the expected material rewards was a common theme in respondents' accounts of why their associations ultimately failed:

> I think it collapsed because some members were not paying dues as they ought to. Also, members were disappointed in BOPP and the other NGOs as they were expecting support in terms of money, which was not coming. (Male farmer, Adum Dominase, 18 April, 2019)

> Here, it is not common to see associations . . . associations do not survive here. Sometimes they tell us that they will bring farmers some things but nothing happens. (Male farmer, Butre, 23 April, 2019)

> This particular government brought some seedlings to us to cultivate with promises of further assistance, but these were not fulfilled.... They didn't even give us machetes and other tools to cultivate the oil palm. The same thing happened four years ago, they promised to bring farmers money that never came. (Male FGD, New Akwidaa, 23 April 2019)

Moreover, associations were internally fragmented by mistrust bred by widespread suspicions of financial malfeasance by the FBO executives. There appears to be no rigorous mechanism to stop exploitation by leaders of these associations. Respondents recounted numerous instances of blatant misuse of associations' resources, the most extreme example of which emerged during a focus group discussion:

> [All] that they said they will give to us, one Mr. B – he was the head in this area, he took it all and squandered it. He committed suicide when the government began an audit. So all the benefits were lost to the farmers and we have had to rely on our personal resources since 2006. (Male FGD, New Akwidaa, 23 April 2019)

Such instances of malfeasance reinforce the already widespread suspicion against any attempt at collective action. In a social context where collective action already imposes high costs on individual farmers, corruption and misuse of resources by FBO executives substantially dampens enthusiasm in associational life. This has resulted in a general apathy among the farmers in matters of communal organisations, collective action, and associations.

The importance of autonomy and trust

Economic relations between farmers in the study communities tended to be more individualised than one would expect to find in rural communities. As one respondent puts it when explaining the absence of an FBO in his community: 'there is no communication. Every farmer manages his own farm. We do not have any farmers' association here' (Male farmer, Butre, 18 April 2019). Lack of financial means is an important obstacle in many of these abortive endeavours at collective action in the study communities. As shown above, the failure of members to meet financial obligations has often hindered the success of group efforts. In Kwesikrom, farmers decided to contribute money towards the purchase of an oil palm processor for the community which would have given them greater control over pricing than the sale of the fresh fruit bunches. However, as one respondent explained (Male FGD, Kwesikrom, 23 April 2019), '[some] people failed to pay the little contributions [needed to purchase the processing unit]', and the plan ultimately failed.

This situation further pushed farmers into increasingly atomised behaviour. Some were inclined to explain this lack of cooperative spirit as an innate moral failure:

> I think it is the nature of us, the Ahanta people. We do not like each other. We like to be individualistic instead of coming together to do things as a unit. (Male farmer, Kwesikrom, 20 April 2019)

However, rather than personal moral shortcoming, our analysis points to the importance of the 'external' factors that constrain the behaviour of individual farmers; in particular, the lack of economic autonomy for the most deprived farmers. For independent smallholder farmers, 'lack of autonomy shapes whom they sell to, at what price, and under what conditions' (Dzanku et al., 2020: 19). Although they are aware of the benefits of nurturing social networks and collective action, destitution undermines their ability to commit to long-term actions that impose significant short-term economc costs:

> That is the problem of farmers. If we can all decide not to sell and will still find other means to feed our families, all these problems would have ended. It will not work if we cannot do that. (Male FGD, Adum Dominase, 24 April 2019)

> We cannot get anyone to buy [our oil palm] and no car comes here to buy it. You might have taken loans here and there so you will certainly give them [traders insisting on buying at unacceptably low prices] the oil palm in order to raise money to offset the loan. (Female FGD, Kwesikrom, 24 April 2019)

This lack of autonomy lies at the root of the inability of many smallholders to generate or nurture trust. Without trust, FBOs lack effective means of enforcing adherence to collective decisions requiring voluntary compliance. The resulting mistrust further engenders disinterest and apathy in the affairs of the association. Moreover, mistrust exacerbates the personal cost of cooperation for poorer farmers who experience a number of overlapping disadvantages that make it unlikely for them to benefit from participation in communal associations and collective action (Cleaver, 2005). Barriers to effective participation and probable future benefits arise due to the inability to make regular monetary contributions and the time taken away from productive activities by association meetings.

The situation imposes what Offer (2012; see also Ochieng et al., 2018) calls a 'burden of reciprocity' on the poor, who tend to lack the resources necessary to participate in the reciprocity that enable collective action. Specifically, poverty can limit the ability of individuals and households to maintain trustful long-term economic relations, which can negatively affect their ability to tap into the resources through social support networks (Offer, 2012). This can create a vicious circle where wealth disparities widen in these communities because the material cost of participating in livelihood-enhancing collective schemes end up excluding exactly those who need such schemes the most.

However, better-off farmers were able to overcome the general breakdown of trust. Some organised into smaller groups to sell directly to the oil palm companies. These groups of relatively wealthier farmers were more reliable than the larger FBOs because membership in the smaller groups was contingent on the ability to meet the cost of participation. Better-off farmers are able to work together in these smaller groups of similarly endowed farmers to meet the cost of transporting their produce to the company mills, thereby cutting out the aggregators or middlemen whose prices tended to be lower than what farmers could make by selling directly to the mills:

> When we used to sell the oil palm to agents, we were not making much money, all that we got was used to pay the labourers and a few other things. But now that we sell to BOPP directly, we have taken the middleman's profit for ourselves, and our lives have improved a little. (Female farmer, Adum Dominase, 18 April 2019)

Better-off farmers, therefore, find these exclusive arrangements preferable to participation in the larger FBOs whose effectiveness remains uncertain. This creates a vicious cycle where weak associations encourage better-off farmers to explore private or exclusive economic arrangements, which, in turn, further undermine the attractiveness of farmers' organisations as a collective action vehicle. In the end, better-off farmers continue to reap greater rewards while the conditions of poorer farmers stagnate or deteriorate.

Conclusion

Ghana's oil palm economy could be a catalyst for national economic development, and provide a pathway out of poverty for smallholder oil palm farmers. However, this potential has not been realised, and studies suggest that wealthier smallholders or those with more assets are better placed to reap the benefits of agricultural commercialisation (Dzanku et al., 2020; Saha et al., 2022). Collective action schemes can help smallholders overcome barriers to successful commercialisation but effective collective action vehicles do not automatically emerge and flourish.

Previous research has documented a pattern of associational life in Ghana that favours informal sociability over formal organisational structures (Asante, 2020). Our analysis has shown that associations that require members to make financial commitments or bear economic costs are even

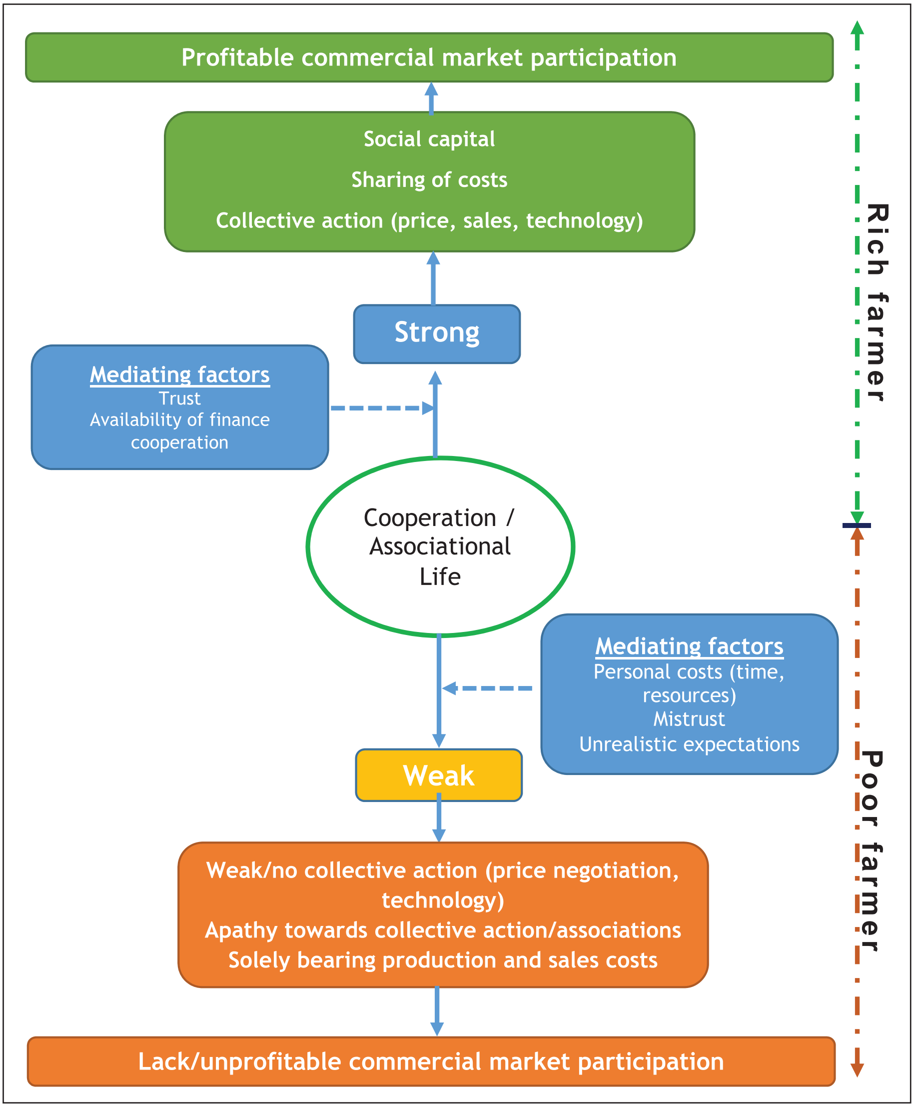

Figure 1. Graphical presentation of argument.
Source: Authors' own.

more unpopular. There are two reasons for this: the inability of poorer members to afford the costs of collective action and the suspicion that group leaders will mismanage the association's resources. The weakness of collective action exacerbates inequality and adversely affects the most economically disadvantaged because, without strong associations, these smallholders have no organisational means to collectively negotiate prices or acquire productivity-enhancing technologies. Wealthier farmers are able to overcome this disadvantage by independently pooling resources with other well-off farmers to engage in income-enhancing activities, such as investing in processing technology (see Figure 1). The result is a vicious cycle in which wealth disparities widen because the cost of participating in livelihood-enhancing collective schemes ends up excluding exactly those who need such schemes the most.

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Notes

1. This review largely focuses on local efforts at collective action. At the macro-level, many historical efforts at collectivisation failed because of the heavy-handedness with which they were imposed. Examples include forced collectivisation in the Soviet Union in the late 1920s (Selden, 1982) and the *Ujamaa* Village Policy of Julius Nyerere introduced in Tanzania in 1967 (Ergas, 1980).
2. In this paper, we only draw on the interviews with household heads.

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