



Calculating the Cost of a Decent Living, Living Income Benchmark Study

Ghana Launch Workshop – February 13, 2018 - Accra

Purpose

The Living Income Community or practice gathered together stakeholders from cocoa growing regions in Ghana for a living income benchmark launch workshop. The purpose of the workshop was to bring actors together to become familiar with the concept of a living income benchmark, the methodology and process of conducting a benchmark study and to share thoughts on how the results generated can be used by different stakeholders. The study coordinators used the workshop to onboard stakeholders and provide them with ownership over the study and key decision-points (such as the geographic locations for data collection and whether to include peri-urban sites) to facilitate use of results.

Participation

The workshop was well attended by industry, farmer organizations and civil society with some representation from donors and the Ghanaian government¹. The conversation was lively and animated.

Convening Organizations	Industry	Farmer Groups	Civil Society	Donors/multi-laterals	Government
GIZ	Cargill	Kuapa Kokoo	SEND Ghana	USAID METSS	Min of Agriculture (SRID)
ISEAL	The Hershey Co.	Cocoa Abrabopa Assoc.	Participatory Development Associates (PDA)	Embassy of the Netherlands	Min of Ag (Women in Ag Development)
Rainforest Alliance/Utz	Nestle	WIENCO	University of Ghana		Ministry of Employment and Labour Relations
Sustainable Food Lab	Touton	WCFO- Ghana	AgroEco		
World Cocoa Foundation	AgroEcom		Solidaridad, Ghana		
	Olam		Millenium Promise Alliance		
	Produce Buying Co		Royal Tropical Institute (KIT)		
	Tony's Chocolonely				

¹ Representatives from COCOBOD, CHED, and CRIG were invited to attend as well, but were not present. Convening organizers will work to engage COCOBOD going forward.



Introduction of Research Team & Methodology

Sally Smith, the independent researcher leading the living income benchmark study, and Daniel Sarpong, the Ghana research lead, presented their roles and introduced Dr. Sarpong's research team from the University of Ghana. The research team presented the methodology used to conduct a living income benchmark study, drawing on the Anker methodology for a living wage benchmark. Dr. Smith illustrated the approach with the example of the recent banana-focused decency costing study for living wage in the Lower Volta Region of Ghana.

Outstanding Process Questions

Geographic Locations for Study

Primary data will be collected in 3-4 regions selected to represent typical cocoa production areas. The research team proposed three regions (Western, Ashanti, and Central) based on the scoping study using secondary data and asked for input from stakeholders on 1) if these are the right regions, and 2) which districts should be studied within each region. The conversation needed to be righted several times, to remind stakeholders of the criteria for selecting geographic areas for benchmark studies, and to clarify that the proposed districts were the result of secondary data research and that researchers were not relying on stakeholders' opinion alone. After much discussion on the similarities and differences between regions and reasons for including or not including them, the stakeholders settled on the following **regions (districts)** with the caveat that the researchers validate that these are the right choices: **Western (Bodi, Sefwi Wiciso, Sefwi Bekwai), Ashanti (New Ebudiase), Central North (Dun Kwa Twifo, Praso)**. The research team will use the information gathered from stakeholders to revert back to secondary data and make a decision.

Assessing just Rural or Rural and Peri-Urban location

Researchers asked stakeholders for input on whether the "typical" cocoa farmer resided mostly in rural areas or if the "typical" cocoa farmer now reside in both rural areas as well as peri-urban areas. The conversation was not conclusive and the research team will need to make a decision based on secondary data.

Proposed Study Uses

Workshop facilitators asked stakeholders on how they could envision using the study results in their work. The majority of stakeholders cited understanding the size of the gap and knowledge around if strategies to close it were working as the most important inputs for future strategy. Several stakeholders commented on the lack of COCOBOD's presence as a barrier to making the most of the study results for change.²

Key insights below are paraphrased/condensed to present succinct versions of the speaker's comments:

World Cocoa Foundation

This issue of decent income is critical to WCF. We have a number of initiatives to support increasing income, including The Cocoa Livelihoods Initiative. When cocoa farmers have access to additional income sources they are better off. We are looking forward to this study, I am interested to see the information that comes out. If farmer incomes improve we can tackle some of the other problems like

² NOTE: WCF, FT, UTZ, SFL were able to meet with Dr. Emmanuel Opoku of CHED on 16 February and he confirmed their interest in the study, sent his regrets for not being able to attend, and reiterated that they would value a calculation of the optimal production level of cocoa to meet a decent standard of living.



education, child labor, women's economic empowerment. A benchmark can help to engage stakeholders in the situation and force on policy change. We can set a goal to mobilize action.

It's a shame that we don't have Ghana COCOBOD here - we need to connect with them so that they cannot discount the results. When this is said and done, these results should influence policy.

Cargill Ghana

One interesting thing we've observed is that with this type of data we agree to have an objective discussion about if what we are doing is having an effect. This data will give us perspective on if what we are currently doing is working for smallholders and to what extent our attempts to increase incomes are working. This study will help us to measure how far we are going in our project design and implementation. This will be of great support to get to our objective.

Kuapa Kokoo

Kuapa Cocoa is a cooperative business made up of 100K farmers and 500K households. How do we manage resources to invest in a living income of our farmers? We look at this study as a very important indicator, to establish a goal in the various cocoa regions. It will help us focus on interventions that will really drive the closing of the gap. Our core business is cocoa, and we need to know if our best is enough in addressing the challenges. The outcome will influence our activities and focus our efforts.

We work with SFL, RA, WCF, I would like the key decision makers COCOBOD and the Institute of statistical research to be aware of this study so that when it comes out they have to pay attention. We need how to best mobilise limited resources (and different actors, such as governments, research institutions, etc.) to create change.

GIZ

Our main aim is to fight poverty amongst farmers, especially in Africa. There are many programmes that are all ongoing. Current benchmarks, such as the World Bank poverty lines, don't always provide an overview of the existing situation (individually based, tentative and generalised). We are working with a household in more specific detail. Will use this information from the Living Income benchmark to review and monitor current status and inform partners on the situations of farmers.

UTZ/RA

This type of benchmark is very important for UTZ/RA in certification work. It helps us to understand if our requirements help farmers to close the gap. We are hoping that this study (and others) will help us see if we can incorporate findings in our new revised code so that it will be more likely to help farmers to reach a living income. We are also setting up sector partnerships with CSOs and farmer-based groups to influence government policy. Cocoa price and living income are key for farmers. Understanding how the size of the current gap is a very important first step. Then we can understand what different actors can do and the roles they play.

Ministry of Employment and Labour Relations (Ghana)

Our ministry is very concerned with quality of decent work. This study will help us to design policies and programs for decent work in Ghana. We know that farming forms a large part of our informal sector. We are very interested in the slide that shows the difference between minimum wage and poverty line. Our ministry sets the minimum wage (set between govt. employers and labour). It would be good if this



would have correlation with a living income. Currently the minimum wage is below the poverty line and we find that very troubling. So, we are very much looking forward to seeing this study and how we can use it. This can inform policy for different agricultural workers. This information will help to drive conversations around deciding minimum wage/income. We need evidence to inform debates and conversations in governments to improve minimum wage levels.

Cocoa Abrabopa Association

There is a real problem with farmers around maximising production. The Living Income benchmark may affect real cocoa production. Bee keeping for example, which can be more lucrative, can mean cocoa farming is selected against. So, if farmers move there they move away from cocoa production. We need to look at this carefully - Is cocoa competitive?