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Contract Farming and Capital Accumulation in Cameroon: The Case of the CDC Smallholder Schemes

Piet Konings

In several post-colonial states, there has been a shift from plantation production to smallholder production. This is vividly illustrated in Kenya, where the area under smallholder tea increased by about 250 per cent during the 1970s, while the area under tea on the estates exhibited only a slight increase (cf. Swainson, 1985). This shift is quite remarkable, for it has often been assumed that large-scale, "modern" estates were more likely to meet the imperatives of increased output and capital accumulation than supposedly "archaic" and less productive peasant agriculture. One of the main reasons for this shift seems to be the growing number of predominantly foreign-dominated agro-industrial enterprises determined to withdraw from plantation production. Confronted in the newly independent states by difficulties regarding the ownership of land and problems in recruiting and controlling an increasingly costly labour force, they abandon their risky plantation operations and concentrate instead on potentially more lucrative activities like supplying technical, managerial and marketing skills to produce, process and sell plantation products (cf. Kirk, 1987; Konings, f.c.). Consequently, they often opt for contract farming schemes as an attractive alternative to plantation production (cf. Glover, 1984; Goldsmith, 1985; Clapp, 1988).

Contract farming is a system of agricultural production whereby smallholders or "outgrowers" are obliged to supply produce to agro-industrial enterprises in accordance with conditions specified in a written or oral contract. In return, the enterprises supply inputs, credit and technical advice, and engage in processing and marketing (cf. Minot, 1986). A growing number of Third World governments and international financial institutions like the World Bank actively support these schemes, which they feel promote the local peasants' integration into the capitalist system and the necessary increase in their productivity and standard of living (cf. Payer, 1979; Williams, 1981).

Cameroon seems to constitute a notable exception to this current trend. Ever since the end of the sixties, the Cameroonian post-colonial state has mainly focused on the expansion of large-scale and, of late, middle-sized plantations. Various reasons have been advanced to explain this policy, in particular the political elite's persistent anti-peasant bias and its vested interests in plantation production: the expansion of plantation production seems to provide the elite with new opportunities for private capital accumulation in the form of appointments to the highly paid top functions in the established agro-industrial parastatals or privileged access to public subsidies and credit reserved for the new "Exploitations Agricoles de Moyenne Importance" (EAMI) scheme (cf. Courade, 1984; Tchala Abina, 1989; Konings, f.c.; and Jua in this volume). Obviously, these explanations are excessively deterministic, for they tend to ignore the fact that the post-colonial state has never neglected the "encadrement" of the peasantry altogether. Nevertheless, there is no doubt that the government has devoted very little attention to setting up contract farming schemes associated with the established agro-industrial enterprises. It was only in 1977/78 that it *ordered* two of its agro-industrial parastatals, the Cameroon Development Corporation (CDC) and Socapalm, to develop 2,000 ha of smallholder rubber and oil palms each (cf. Konings, 1986a; Van de Belt, 1981). A third parastatal, Hevecam, was requested in 1979 to include trials of 250 ha of smallholder rubber in its second development programme (1979-1985). These schemes were implemented under pressure from the international financiers of agro-industrial expansion in Cameroon, particularly the World Bank.

There are widely differing views on the development potential of contract farming schemes. Authors writing from a modernization perspective tend to be quite optimistic. They look upon contract farming as a significant trajectory of capital accumulation in the rural areas, which effectively combines the agro-industry's management capacity, capital resources, modern technology, and marketing facilities with the smallholders' control over land and labour (cf. Morrissy, 1974; Kusterer, 1981; Williams and Karen, 1984). Morrissy (1974) held that contract farming could lead to the development of a stable and politically conservative class of well-to-do farmers in the rural areas. Authors writing from a dependency perspective tend to be far more

pessimistic. They look upon contract farming as one of those "evil" schemes devised by foreign capital and a *comprador* elite, which inevitably result in a deepening dependency of Third World countries on the capitalist "core" and the increasing exploitation and immiseration of the rural poor (cf. Feder, 1977; Lappé and Collins, 1977; Dinham and Hines, 1983). A number of researchers who studied contract farming schemes in Kenya attempted to create a kind of synthesis between the modernization and dependency perspectives (cf. Buch-Hansen and Marcussen, 1982; Cowen, 1981; Currie and Ray, 1986). They held that contract farming could give rise to a growing subsumption of the peasantry to capital and state, and still produce the conditions for the emergence of either a rich or a middle peasantry.

These conflicting views might be useful for the evaluation of contract farming schemes, but also have serious shortcomings. First of all, they tend to concentrate on the relations of exchange between the two parties, and often ignore the process of production itself. This largely explains why they fail to address one of the most essential pre-conditions for capital accumulation in contract farming schemes: the establishment of managerial control over the labour process. Agro-industrial enterprises try to procure a reliable supply of high-quality and relatively cheap agricultural commodities. This objective is not likely to be achieved unless management is capable of gaining control over the processes of both production and exchange. And secondly, these views tend to treat smallholders as passive victims or beneficiaries of the actions of capital and state, often denying them an active role in shaping their own destiny. As will be noted below, smallholders have frequently resorted to informal and collective actions to protest against their subordination and exploitation (cf. Crisp, 1984; Konings, f.c.).

I like to review here the contract farming schemes attached to the Cameroon Development Corporation (CDC). The corporation was established in 1946/47, but its roots can be traced back to the German colonial period (1884-1914). During German rule, a considerable number of large-scale private plantations were established, especially on the fertile volcanic soil around Mount Cameroon in the present South West Province. The original residents, mainly the Bakweri, were then expelled to prescribed restricted native reservations (cf. Epale, 1985). The area was occupied by British forces at the beginning of the First

World War. Interestingly, following this conquest, a protracted debate took place within British administrative circles on the future of the ex-German plantations: the principal question was whether to retain the estates or return the plantation lands to the original owners. Fearing that the major assets of the territory, the plantations, would be lost if they were handed over to the Bakweri, the British authorities eventually decided to keep them. After the First World War, most of the estates were bought by the former German owners. After the Second World War, the majority of the expropriated German plantations were transferred to a newly created *public* enterprise, the CDC, which was charged with developing and running the estates for the benefit of the whole territory (cf. Molua, 1985; Konings, f.c.; Clarence-Smith in this volume). From the start, the CDC became the largest agro-industrial enterprise in the country. At present, it has about 40,000 ha under cultivation and keeps about 60,000 ha in reserve for future expansion. It has obtained huge loans for estate development from a number of international financial institutions, including the World Bank. It owns twenty-one estates, each of which produces one of the corporation's main crops: rubber, oil palms, tea, and bananas. And finally, it employs about 15,000 permanent workers and about 1,500 seasonal and casual workers (cf. Konings, 1989a).

A case study of the CDC contract farming schemes is of particular interest, since the CDC is one of the exceptional (plantation-based) agro-industrial enterprises in Cameroon to have had lengthy experience with various forms of contract farming¹. In 1968, it was transformed by the government into a "development corporation" (Tchala Abina, 1989) and charged with the responsibility of "assisting smallholders or groups of them engaged in the cultivation of crops similar to those cultivated by itself in the collection area of the mills it manages"². In his study, we want to examine whether the variety of CDC smallholders' schemes have given rise to increased output and capital accumulation as well as to the emergence of a class of rich or middle peasants. This evaluation effort is divided into two periods: (i) the period of contract farming preceding the World Bank scheme (1946/47-1977/78) and (ii) the

¹ The Plantations Pamol du Cameroun Ltd, a Unilever subsidiary, is another example.

² See law no. 68/LF/9 of 11 June 1968.

period from the implementation of the World Bank scheme to 1987 (1977/78-1986/87).

The CDC and Smallholder Development in 1946/47-1977/78

The first attempt to plan and implement a smallholders' scheme attached to the CDC was made soon after the corporation's foundation in 1946/47. This attempt was closely related to the Bakweri land problem. Following the British Trusteeship Authority's lease of the ex-German plantation lands to the newly created CDC, the Bakweri elite, organised into the Bakweri Land Committee, appealed to the United Nations Trusteeship Council to annul this decision. In several petitions it complained bitterly about the continuing suffering of the Bakweri people due to the loss of their ancestral lands (cf. Molua, 1985). In reaction to this Bakweri protest, the British administration asked Mr. W.M. Bridges, a Senior District Officer well acquainted with Bakweri society, to carry out an intensive investigation of the Bakweri land problem and to recommend appropriate solutions. Mr Bridges started his investigation in 1948 on the assumption that 15 acres of land would be fully adequate for each Bakweri household. In the end, he came to the conclusion that 25,000 acres of CDC land would satisfy the Bakweri requirements. He proposed that this land be used for the cultivation of food crops on a controlled tenancy basis and that the CDC provide technical advice, social welfare services, and market facilities for approved crops. However, since the Bakweri Land Committee refused to cooperate with the government and the CDC management until the Bakweri claims on CDC lands had been recognized, his proposals were never implemented³.

Another attempt followed the expansion of local banana production at the beginning of the fifties. This time the effort proved more successful. Particular credit for this success should be given to Dr. E.M.L. Endeley, one of the outstanding Bakweri and nationalist leaders and a member of the CDC Board of Directors at the time (cf. Chiabi, 1982). After initial opposition, he was eventually able to enlist the

³ See BNA, file Qf/e (1946)1, Bakweri Land Committee and BNA, file Qf/e (1951)1, Examination of Petitions from the Bakweri Land Committee.

support of the government and the CDC management for a bold plan promoting the commercialization of peasant banana production. To this end, he founded the Bakweri Co-operative Union of Farmers (BCUF) in 1952 and concluded a market agreement with the CDC management (cf. Ardener, 1958; Epale, 1978). Under the terms of this agreement, the CDC was prohibited from making profits on its transactions with the BCUF though it was permitted to recover handling charges from the co-operative. The corporation marketed the BCUF's produce from 1952 to 1957, when it had to hand over the business to Elders and Fyffes after proving incapable of handling the growing amounts (cf. Heinzen, 1984). During this period, the scheme gave rise to rapid capital accumulation among the Bakweri banana producers. It proved without any doubt that the Bakweri peasant was capable of increasing production and undertaking entrepreneurial activities if given the right incentive and assistance (cf. Courade, 1981/82; Ardener, 1970; and Geschiere, 1988).

A renewed attempt was made after the achievement of independence and reunification in 1960/61. In 1964, the CDC management invited a mission from the Commonwealth Development Corporation headed by Mr R.J.M. Swynnerton to draft a long-term development plan for the corporation. In its report, the mission advised the corporation to set up a variety of rubber, oil palm, and tea smallholder schemes and to extend its role in smallholder development from exchange to production: the regular supply of inputs, credit, and technical advice as well as strict supervision of the labour process (cf. Epale 1985: 183-185). It also recommended the installation of a Smallholder Development Authority by the Federated State of West Cameroon, which would be responsible for the planning and implementation of smallholders' schemes in the territory. Its arguments for smallholder development sound familiar to anybody acquainted with the modernization theory on contract farming:

"CDC and the government would thus promote the development of land at present unused and would create a type of *middle-class farmer* growing crops and earning incomes at a level well above the general one in West Cameroon. This should serve as an incentive to the numerous peasants whose farming is at present relatively unproductive⁴".

⁴ Swynnerton *et al.*, 1964: 37.

Apparently, it preferred to recruit scheme participants from the more privileged sections of the rural population: "selection of settlers should be based on their being married men, preferably having had some education and some previous experience with the crop grown and having some initial capital"⁵.

During the 1964-1968 period, representatives of the CDC management and the West Cameroonian government regularly discussed the Swynnerton Mission recommendations. However, none of the proposed projects were ever implemented, nor was a Smallholder Development Authority installed. One of the main reasons for this failure was the frequent discrepancy between rhetoric and practice: though the federal government regularly expressed its commitment to smallholder development, in the end it proved unwilling to actively support the proposed schemes. As a matter of fact, by that time it had already become more interested in the expansion of agro-industrial estate production.

It is, however, interesting to observe that notwithstanding the indefinite postponement of the Swynnerton proposals, the CDC became increasingly involved in smallholder development. By 1967/68 its assistance was requested for an oil palm and rubber smallholder scheme initiated by the producers themselves. This scheme had come into existence during the rapid decline of banana production after the achievement of independence and reunification (cf. Bederman, 1971). On the BCUF's advice, a number of banana growers then started to diversify production and invest their accumulated capital in crops like rubber and oil palms. They hardly received any advice on the cultivation of these crops. Some government departments in West Cameroon were very helpful, in particular the Departments of Agriculture and Co-operatives. When some of the established oil palm and rubber farms reached maturity by 1967/68, these departments arrived at an agreement with the CDC management that the corporation would transport, process and market the smallholders' produce.

The large majority of these smallholders were peasants who grew oil palms and rubber in addition to other crops. Their holdings tended to be quite small: the approximately 3,000 members of the South West

⁵ *Ibid.*, p. 54.

Province Oil Palm Smallholders' Co-operative did not cultivate more than an estimated total area of 4,000 ha⁶. They mainly made use of family labour; however, for heavy farm work like land development, they might either call upon co-operative groups or employ casual labour. Their farms were scattered throughout the South West Province. It was, as the CDC management never ceased to note, expensive and time-consuming to give them any effective assistance in the form of inputs, technical advice and transport.

Besides these small producers, there was a tiny minority of larger producers. They owned farms usually varying from about 10 to 150 ha. The largest producers were from the various fractions of the Anglophone elite: the group included well known politicians, chiefs, top civil servants, CDC managers and directors and businessmen such as Dr. E.M.L. Endeley, Mr. E.K. Martin, Mr. E.A. Mbiwan, Nfon V. Mukete, and Chief S.O. Ebanja. They tended to be absentee farmers, leaving the actual running of their farms to farm managers, usually their own sons. They employed permanent and casual workers, the actual number depending on the size of the farm. Generally speaking, they tended to maintain their farms better than the small producers and to sell higher quality produce to the CDC mills.

The relations between the larger and smaller producers were not always without conflict. With the aid of the traditional authorities and the state, the larger producers managed to appropriate vast lands in areas suitable for oil palm production, at the expense of the local peasantry. One famous case occurred in 1966, when Mr. E.A. Mbiwan, the former General Manager of the West Cameroon Electricity Corporation, acquired a vast area of land at Batoke, a village along the West Coast, from the Victoria Traditional Council. In 1968, peasant cultivators were driven from this land by Mr. Mbiwan's workers. Notwithstanding relentless peasant protest, Mr. Mbiwan started to establish his Bonanza Estate on this land, where he grew several crops including 135 ha of oil palms⁷. Nevertheless, these internal

⁶ See Petition of the South West Province Oil Palm Smallholders' Co-operative, Victoria, to Minister of Commercial and Industrial Development, dated 12 January 1975, in: file MINEP/ED/SWP/A/554, Small Palm Holders Scheme.

⁷ See Petition of Strangers of Batoke, Native West Coast, to the Permanent Secretary, Ministry of Lands and Survey, Buea, dated 6 June 1968, in: BNA, file Qd/a (1969)1, Surrender of Land by CDC at Bakingili.

contradictions were often obscured by the smallholders' *common* interests: more assistance and, above all, a higher producer price from the corporation.

From the very start of the scheme, there has been a serious conflict between the producers and the CDC management about the producer price. The larger and smaller producers constantly claimed their incomes did not suffice to compensate them for increasing production and transport costs. They expressed their dissatisfaction by regularly resorting to collective and informal actions.

The South West Province Oil Palm Smallholders' Co-operative wrote numerous petitions to the state and the CDC management to protest against the low remuneration and appeal for an improvement. Its leadership, usually recruited among the few large producers, appears to have even been attacked for this form of protest.

Case no. 1. A Large Oil Palm Producer and Co-operative Leader

Chief S.O. Ebanja served as a senior civil servant at the Governor's Office in Buea. At present, he is the Paramount Chief of the Balong living at Mukonje in the Meme Division. He owns several farms. One of them is a 25 ha oil palm farm at Malende, a Balong village near Muyuka in the Fako Division. This farm has not been profitable so far. On the contrary, during the period 1971-1980, Chief Ebanja incurred a loss of almost one million FCFA. He claims to have regularly been harassed by the CDC management during his term of office as President of the South West Province Oil Palm Smallholders' Co-operative for his bold championship of the smallholders' cause. The corporation has seized part of his land, denied him transport facilities, and regularly rejected his produce⁸.

The co-operative leaders tried to capitalize on their long-established contacts within the regional state apparatus. When the regional authorities were informed of the precarious situation, they tried to mediate on the smallholders' behalf. However, the CDC management refused to meet with their requests for negotiations with

⁸ See letter from Ebanja and Sons, Malende, to the Chairman of the CDC, dated 9 March 1981, in: file MINEP/ED/SWP/A/554, Small Palm Holders Scheme.

the smallholders on the producer price. This is evident from the following report drawn up by the economic adviser to the Governor of the South West Province in 1979:

"The Oil Palm Smallholders have long been fighting with the CDC about the price of their palm nuts, which they consider low. In studying this problem, we often found they were justified and pleaded with the CDC to review its stand. The price increases from the CDC have been so small they never seemed to satisfy the smallholders, who claim they can hardly break even. On the other hand, the CDC has proved to be rather dictatorial, admitting no dialogue whatsoever in its dealings, implying that the smallholders either take it or leave it. Thus defeating the provisions whereby it pledged to assist the small farmers around their plantations"⁹.

The CDC management continued to claim that its smallholder and price policies were backed by the government and that it paid a *fair* price to the producers. For example, during a meeting with the Governor of the South West Province on 7 July 1975, the CDC General Manager, Mr. J.N. Ngu stated that

"the corporation had to operate in accordance with the terms defined by the government. It had to co-operate with the government's policy of smallholder development. Consequently, it was not out to profit off the smallholders but to pay them the full value of their oil after deducting the necessary expenses. It had to operate on commercial lines and not to waste or lose money unnecessarily. Therefore, it would not increase prices for the smallholders unless it was economically feasible"¹⁰.

As soon as it became clear that the co-operative was unable to defend their interests effectively, the smallholders resorted to a variety of informal actions to protest against their low remuneration. They neglected their farms, refused to make further investments in production, and often supplied low-quality produce to the corporation's factories. Some of them stopped delivering produce to the corporation,

⁹ See Report of Dr (Mrs.) Teresia Elad, Economic Adviser to the Governor of the South West Province, on price paid to oil palm smallholders by CDC, dated 6 July 1979, in: *ibid*.

¹⁰ See Minutes of a Meeting held in the Governor's Office, Buea, on 17 July 1975 to discuss the price of palm fruits paid to smallholders, in: *ibid*.

processing the palm fruits themselves in the traditional way and selling the oil at the local markets. A few even withdrew completely from the scheme. The CDC management, in turn, tended to interpret these actions as evidence of the smallholders' lack of entrepreneurship and unwillingness to follow its instructions concerning production and exchange. That is why it decided to exclude these smallholders from participation in a "new" scheme to be implemented within the framework of a second large-scale development project of the corporation, the CAMDEV II project (1978-1982) (cf. Konings, f.c.). This "new" scheme was planned by the World Bank to strengthen management control over the processes of production and exchange. It should, however, be noted that the "old" scheme continued to operate alongside this "new" scheme.

The CDC and Smallholder Development in 1977/78-1986/87

In its 1977 appraisal of the CAMDEV II project¹¹, the World Bank recommended a more active role of the corporation in smallholder development. It advocated a smallholders' scheme based on the Swynnerton Report's contract farming model, with considerable managerial control over production and exchange. However, contrary to the latter report, it insisted on focusing on the rural low-income groups rather than the richer, "progressive" peasants.

It proposed that the corporation assist in setting up about 1,000 ha of smallholder rubber and 1,000 ha of smallholder oil palms during the CAMDEV II period (1978-1982). This programme was to be funded as follows by the financiers of the CAMDEV II project: the Cameroonian government was to contribute US \$ 1,000,000 the World Bank US \$ 1,100,000, the Commonwealth Development Corporation and the Central Fund for Economic Cooperation both US \$ 600,000.

Any candidate who wanted to join the scheme was requested to sign a contract with the CDC¹². This contract stipulated the conditions

¹¹ World Bank, Cameroon: Appraisal of a Second CAMDEV Project, Report no. 1676-CM, Washington D.C., December 1977.

¹² See CDC, Conditions of the contract governing relations between the CDC and the smallholder plantation farmers; and CDC, Contract for smallholders oil palm/rubber plantations.

for participation and the mutual obligations of the contracting parties. It aimed at correcting some of the shortcomings of the "old" scheme and improving managerial control over production and exchange.

The most important conditions for participation were the following. Candidates had to have the Cameroonian nationality and derive at least 75% of their income from farming. They had to be between 25 and 40 years old and physically fit to establish a farm; however, older persons who had the labour power of young relatives at their disposal could also qualify. Moreover, they had to own land that met the conditions of the contract: it had to be within a radius of 30 kms from a CDC oil mill or rubber factory, located less than 500 metres from a road or track passable for CDC vehicles, suitable for either oil palm or rubber cultivation, and covered by a land use right for at least twenty-four years. And finally, they had to have the corporation's official approval for participation in the scheme.

The obligations of the two contracting parties were stipulated as follows. The participants had to (i) punctually execute all the instructions given by the CDC management in the labour process, (ii) attend all the meetings convened by the CDC management for training and farm management purposes, (iii) sell all their produce to the corporation, and (iv) settle "scrupulously" all their debts with the corporation. The CDC management, in turn, had to provide the participants with the necessary inputs, technical advice and supervision. These services were to be rendered on credit and had to be repaid in increasing installments after the crop had started bearing. Repayment was to be deducted from the sales to the corporation. In addition, the CDC management had to transport the participants' output for a fixed price to its factories and process it. Lastly, it was obliged to pay the producers monthly for crop delivery.

The contract was concluded for a period of twenty-seven years as from the year of the first clearing of the land. The ultimate sanction for non-compliance with the terms of the contract was the seizure of the farm. Following the repayment of all the debts, the participants were to receive a land certificate registered in the Survey Department.

The participants were prohibited from developing more than 1 to 2 ha of land during the first year. The management assumed that this would be the maximum they could handle satisfactorily. Depending on

their performance, however, they might be encouraged later on to expand to a total of 5 ha of oil palms or 4 ha of rubber. The World Bank believed this scheme would help create a stable middle peasantry: the amount of land to be cultivated with modern production techniques would be sufficient to provide participants with a higher income than non-participants and hence make them more liable to management control. During the maturing period of the crops, the producers were to receive a non-refundable cash grant of FCFA 56,900 for oil palms and FCFA 108,106 for rubber, serving as a kind of remuneration for their labour inputs¹³.

Compared to the "old" scheme, the "new" one would appear to be a more promising effort on the part of the "development coalition" (Bates, 1981) - the Cameroonian post-colonial state, international finance capital, and the agro-industry - to incorporate the local peasantry into the capitalist system and subsume it to the imperatives of increased output and capital accumulation. It enables the CDC management to greatly extend its control over both the means of production and the processes of production and exchange. This, and similar schemes make for a substantial loss of the peasantry's autonomy and the virtual emergence of a peculiar form of proletarianization: they tend to transform the producer into a kind of task worker for the agro-industry on his "own" land (cf. Bernstein, 1979; Konings, 1986b). Clapp (1988: 16) observes in this respect:

"Contract farming is a form of disguised proletarianization: it secures the farmer's land and labour, while leaving him/her with formal title to both. The control exercised by the company is indirect but effective; the farmer's control is legal but illusory. In this sense s/he is a "propertied labourer" - "on the one hand a landlord, and on the other a labourer who cares for corporate plants".

The "new" scheme seems to be of great benefit to the corporation. It has an enormous potential for a regular supply of agricultural commodities to the corporation's oil mills and rubber factories at relatively little cost. It transfers almost all the production costs to the

¹³ Cash grants have been revised by the project management over the years. For example, the total cash grant for rubber cultivation had risen to FCFA 149,923 in 1985.

producers, since the inputs and agricultural services are provided on credit and have to be repaid with interest after crop delivery. In addition, it exempts the corporation from the burden of controlling and paying a large wage-labour force. Moreover, it shifts some of the production risks to the producers, since they bear the brunt of poor harvests and price fluctuations on the national and international markets. Lastly, it enables management to present itself as a champion of regional development and establish a group of local allies among the people directly involved in smallholders' schemes (cf. Bates, 1981).

The management has always claimed that the "new" scheme would benefit the producers as well. It usually emphasized that the scheme would enable them to diversify production and obtain inputs, credit facilities, technical advice, a guaranteed market, a regular monthly income all year round and, last but not least, a substantial improvement in their living standards. Wyrley-Birch *et al.* (1982: 90) estimated the annual net income of participants in the oil palm scheme in 1982 at about FCFA 250,000 per ha of fully mature oil palms. This compared favourably with the wage levels of skilled and unskilled CDC workers which they estimated at FCFA 240,000 and 180,000, and the average peasant income of FCFA 100,000-150,000. If these estimates are correct, any participant with a few ha of oil palms would be likely to become a member of the middle peasantry.

By the end of 1978, the newly created Smallholders' Department at Tiko went into operation. Fifty-two candidates were selected for participation in the scheme (see Table 1) and then organised into groups. The main aim of the grouping was to promote the kind of mutual help and cooperation in arduous farm activities that was given in "traditional" work groups. However, these groups were also hoped to exercise control over their members. Each group was asked to elect a president, a secretary and a treasurer.

Despite all the planning and organisational efforts, the scheme never really got off the ground. Its performance during the CAMDEV II period (1978-1982) failed to meet with the expectations. By 1982 it had attracted only 378 participants and had not achieved its cultivation targets: only 38.3% of the planned 1,000 ha of oil palms and 52.8% of the planned 1,000 ha of rubber had been planted. Moreover, a large proportion of the cultivated area had not been properly maintained.

These disappointing results can be attributed to a number of factors. We shall mention here only the most important ones:

(a) *Cultivation restrictions.* For purposes of efficiency, the CDC management was justified in restricting cultivation to land within a radius of 30 kms from a CDC mill or factory and close to a passable road, but its decision drastically reduced the area of cultivation. These restrictions were even reinforced in 1982, when the CDC decided to confine "passable roads" to *tarred* roads.

Table 1
CDC Smallholders' Development Scheme: Total Cultivated Area, Participants, and Loans and Grants Supplied, 1978/79-1986/87

YEAR	CULTIVATED AREA (HA)			NUMBER OF SMALLHOLDERS			TOTAL GRANTS AND LOANS (FCFA)
	oil palm	rubber	Total	oil palm	rubber	Total	
1978/79	25	57	82	15	37	52	11,851,785
1979/80	170	214	384	101	136	237	37,656,609
1980/81	350	430	780	143	190	333	60,631,644
1981/82	383	528	911			378	21,572,000
1982/83	383	526	909			378	19,000,000
1983/84	383	526	909			378	26,000,000
1984/85	467	527	994	147	224	371	7,500,000
1985/86	557	737	1,294	187	245	432	9,700,000
1986/87	557	737	1,294	187	245	432	17,000,000
TOTAL							210,912,038

Source: CDC Smallholders' Development Scheme, Annual Report: Summary 1980/81 crop year, in: file MINEP/ED/SWP/A/554, Small Palm Holders Scheme; CDC Annual Reports and Accounts, 1978-1987.

(b) *Regular delays in delivery of agricultural inputs.* The usual cause of these delays was that the corporation gave priority treatment to its own estates. To reduce its dependence on CDC supplies, the project management decided to set up a small oil palm nursery at Tiko during the 1983/84 crop year.

(c) *Serious shortage of land.* This is a direct consequence of the presence of the CDC estates and the increasing settlement of immigrants in the area. Land prices are, therefore, constantly on the rise: 1 ha of land was sold in 1985/86 for about FCFA 250,000-350,000. As a result, the scheme mainly attracted the segment of the rural population that was privileged to own reserve lands or capital resources, rather than its target group, the rural poor. This was substantiated by a survey I carried out among the smallholders in the Balong area of the Muyuka Subdivision in 1985/86. I noted that the large majority of scheme participants were male heads of immigrant families (90%), including 65% from the Grassfields. This is not surprising, since these elders have become the richest peasants in the area. Their almost exclusive participation in the scheme has exacerbated the contradictions in the area. There is, first of all, the conflict between the Balong and immigrants about control over land. The Balong resent the large-scale immigrant occupation of their ancestral lands. This has given rise to numerous disputes about land rights and serious confrontations between the two groups. The Chief of Malende is one of the main leaders of the local opposition. As he is simultaneously president of the local smallholders' group, he refused to supply land to some large Bamileke farmers for rubber cultivation and barred them from entering the scheme. I noted that some immigrants had joined the scheme with a view to settling and reinforcing their rights to land rather than developing oil palm and rubber farms. And secondly, there is the conflict between the elders and the younger people. The elders usually do not allocate land to the young men and women who would like to join the scheme. They prefer to employ all the available household members on their own rubber and oil palm farms. This is often a continuous source of friction, for the young men are anxious to earn an income of their own and the women prefer to work on their food farms

(cf. Carney, 1987). Some of the women were very annoyed when their husbands started to create rubber farms on part of their food farms.

(d) *Obstruction by local chiefs.* Quite a few chiefs demanded large sums of money before signing the required land use certificates, even though they knew very well that the applicants were land owners in their villages. In 1978-1980, the scheme lost 80 potential candidates because of this bottleneck¹⁴.

(e) *Financial strains.* All the interviewed smallholders complained that the financial assistance granted by the project management did not cover the costs of developing, maintaining and expanding their farms. The large majority (75%) hired labour from time to time. However, the cash grants they received did not suffice to compensate them for these costs. They often had to invest their savings in the development and expansion of their farms or to raise loans.

(f) *Relatively low producer price.* Initially, the scheme attracted a number of peasants who expected high monthly incomes from rubber and oil palm cultivation. However, when the producer price remained far below expectations, potential candidates became hesitant to join the scheme. Those who had already joined became frustrated, but found it difficult to withdraw from the scheme as they had to pay back their loans and lacked the capital to invest in other crops. This general frustration among the smallholders is quite manifest in the following case study.

Case no. 2. A Participant in the New Scheme

This participant is one of the many ex-CDC workers who joined the scheme. He is 45 years old and hails from Menchum Division in the North West Province. He was employed as a rubber tapper on several CDC estates for fifteen years. In 1978 he decided to resign from the CDC and join the new scheme. He acquired 2 ha of land from the Chief of Malende and started to develop a rubber farm.

¹⁴ See Report of the Manager Smallholders' Development Scheme, Tiko, to the Chief of the Economic Division for the South West Province, dated 6 October 1980, in: file MINEP/ED/SWP/A/554, Small Palm Holders Scheme.

He had saved about FCFA 500,000 during his working career with the CDC. The amount left after he bought the land was not sufficient to cover the costs of developing his rubber farm. He was able to raise some capital for investment from three sources: (i) cash grants from the project management, (ii) regular employment as a casual worker on local cocoa and coffee farms, and (iii) a local rotating credit association (*njangi*).

When he first started tapping in 1985, he was immediately faced with a drastic fall in the rubber prices. Consequently, his monthly income never sufficed to support his family. At present he regrets resigning from the CDC and joining the scheme.

Following an evaluation of the scheme in 1982, the international financiers expressed their concern that the scheme had made so little headway during the CAMDEV II period (1978-1982)¹⁵. Nevertheless, they still believed in the viability of the scheme and even recommended an expansion during the subsequent CAMDEV II Oil Palm and Rubber Consolidation Project period (1982/83-1986/87): an additional 500 ha of smallholder oil palms and 1,000 ha of smallholder rubber was planned at an estimated cost of FCFA 1,159 million.

However, weather conditions in 1982-1984 impeded the planned expansion of the scheme. Dissatisfied with the slow progress and the deplorable state of some of the participants' farms, the newly appointed project manager recommended a change of policy in 1985. He argued that the scheme was more likely to progress if it concentrated on (i) the expansion of cultivated area by the most committed participants and "progressive" new recruits with lands adjacent to the existing farms and (ii) the development of relatively large lands on project costs. Similar to the "tenant purchase" schemes proposed by the 1964 Swynnerton Report, these project lands were later to be subdivided into blocks of maximal 5 ha and sold on credit to selected smallholders¹⁶. He then presented a new smallholder development programme for 1985/86-1987/88. This programme had two aims, (1) an expansion of 700 ha of rubber, 500 ha on project account at Ikiliwindi, a village located in the Kumba-Mamfe area, and 200 ha by committed participants and

¹⁵ See République Unie du Cameroun et Commonwealth Development Corporation, Accord de Prêt relatif à Projet de Consolidation de CAMDEV II, Yaoundé, 22 April 1982.

¹⁶ See Project Manager CDC Smallholders' Development Scheme, Tiko, Notes for Visiting Agents M/S Hall and Pigot, ref. no. SDT/AD/3.

progressive new recruits, (2) an expansion of 550 ha of oil palms, 300 ha on project account at Ikata, a Bakweri village near Muyuka, and 250 ha by committed participants and progressive new recruits.

It is still too early to assess the impact of the new programme on smallholder development. However, the history of the scheme does not give any grounds for optimism. It is unlikely that the scheme will rapidly expand and create a stable middle peasantry as long as the participants are faced with land scarcity, inadequate cash grants for their labour inputs, and, above all, low producer prices. Similar to the participants in the "old" scheme, the "new" scheme members have continued to protest individually and collectively against the unstable and often rather low producer prices. In 1986, the smallholders in the Muyuka Subdivision sent a vehement petition to the CDC General Manager to protest against the drastic 50% cut in the producer price during the crisis in the domestic agro-industrial oil palm sector (Konings, 1989b). In this petition, they expressed their belief that

"...the Smallholders Development Scheme created by the government and placed under the CDC was aimed at raising the living standards of the peasantry in Cameroon. But the recent slash in the price of their produce had come as a surprise ... They were becoming victims of price cuts in agricultural produce in a country where salaries regularly increased and the prices of other crops increased annually with a high bonus"¹⁷.

They also demanded a price stabilization fund for rubber and palm oil production.

Besides such collective actions, the "new" scheme members also resorted to informal actions to protest against control and exploitation in the labour process: they refused to adhere strictly to the production rules set by the management. Contrary to the scheme's regulations, a substantial number of oil palm smallholders decided to grow food crops on their oil palm farms, with a view to compensating themselves for the depletion of their capital reserves. Such practices are difficult for management to control. In 1985 the project manager complained:

¹⁷ For the Petition of the Smallholders 'Farmers' Association, Muyuka Subdivision, see *Cameroon Outlook*, 28 June 1986.

"Eighty-four ha of palms were planted in 1984/85. Although it was stipulated at the outset that no intercropping would be allowed and the leguminous cover crops must be established, in many cases this was not done by the farmers of whom it had not been previously required. The only sanctions left were to (i) withhold delivery of planting material and (ii) withhold the payment of cash grants. If palm seedlings were not delivered, there was the risk that the project would be left with substantial quantity of such seedlings in the nursery and in consequence it was decided to go ahead with the planting and to withhold the payment of cash grants until these two conditions had been met"¹⁸.

In addition, they tended to neglect their farms and, in a few cases, to withdraw from the scheme. The 1983 CDC Annual Report noted that the unstable and low rubber prices had lowered the maintenance standards and the estimated production target by 164 metric tonnes (48.1%).

They also tried to evade the terms of exchange imposed by the corporation, particularly by selling on the market so as to realize a higher return on labour. Rubber growers are more locked into the exchange relation than oil palm growers as they lack processing and marketing facilities.

Rendell (1976: 219) rightly observed that informal protest actions are more likely to occur if smallholders are not fully dependent on the income from scheme participation. He notes that the tea contract farming schemes created by the Commonwealth Development Corporation in Uganda and Malawi performed below expectations because the growing of other cash crops made the smallholders less dependent on tea as a source of income, presumably less committed to it during periods of low prices, and less willing to subordinate themselves to management authority and discipline in the labour process. The relative failure of the CDC smallholders' scheme should also be partly attributed to the fact that scheme participants had additional sources of income; most of them also produced other cash crops, including cocoa and coffee. Therefore, they felt less hesitant to engage in informal protest actions.

¹⁸ See note 16.

Conclusion

Contract farming schemes associated with agro-industrial enterprises have been of a more limited scope in Cameroon than in several other Third World countries, and largely unsuccessful. The Cameroonian experience with contract farming therefore poses an interesting challenge to modernization theorists who have tried to impress upon Third World governments that an expansion of contract farming schemes might boost peasant productivity and living standards. Our evaluation of the CDC smallholders' schemes provided some of the principal reasons for the rather limited and unsuccessful experience with contract farming in Cameroon.

Firstly, there is the rather ambiguous attitude of the government and CDC management towards smallholder development. In its policy statements, the government has regularly expressed its firm commitment to the agro-industrial "encadrement" of the local peasantry¹⁹. In practice, however, it has been more interested in the expansion of agro-industrial estates and middle-sized plantations, mainly for the opportunities this modernization strategy offers the political elite for private capital accumulation. Its ambiguous attitude towards smallholder development may have been reinforced by the relative failure of the few contract farming schemes that were implemented under pressure from the international financiers of agro-industrial expansion, particularly the World Bank. However, this failure should not be attributed to the local peasantry's "inherent traditionalism", lack of entrepreneurship, or even unwillingness to join the scheme, but rather to the serious problems the participants faced since the start of contract farming schemes. In the absence of any consistent smallholder policy, the CDC management was reluctant to continue to assist smallholders' schemes. It tried to remain faithful to its "historical mission" of estate development and to look upon smallholder development as a matter of secondary importance. And, there was never much of a reason to change its priorities. The government seemed to

¹⁹ See, for instance, République du Cameroun, VIe Plan Quinquennal de Développement Economique, Social et Culturel, 1986-1991, Yaoundé: Ministère du Plan et de l'Aménagement du Territoire, 1986.

support its smallholder and price policies. In addition, the corporation never became dependent on the supply of smallholder produce, which continued to account for only a tiny part of the total CDC output: in 1971-1987 the CDC smallholder rubber and palm oil output rose respectively from 0.8% to 1.8% and from 0.6% to 6.1% of the total output²⁰.

Secondly, as dependencia-theorists have correctly observed, there is the precarious dependence on commodity prices on the domestic and international markets. The banana scheme flourished in the days before independence, mainly because of a United Kingdom trade preference for the agricultural commodities of Commonwealth countries. After independence and reunification, this preferential treatment was withdrawn and the scheme collapsed (cf. Epale, 1985: 190-191). Unlike the banana scheme, the rubber and oil palm schemes never experienced a real "boom" period, as they were immediately subject to the fluctuating and often rather low prices on the international market.

Thirdly, there is the problem of establishing control over the schemes. Feeling exploited, the participants opposed managerial efforts to gain control over production and exchange. They regularly engaged in a variety of collective and informal modes of resistance, which seriously impeded the progress of the schemes. These forms of protest, largely ignored by modernization and dependencia theorists, illustrated the common struggle against the low producer price offered by the corporation, the defiance against management authority over the labour process reflected in the persistent violation of the production rules and the refusal to maintain farms, and the withdrawal from the relations of exchange and, in the last instance, from the scheme itself.

It is interesting to note that there is some evidence of a possible policy change on contract farming schemes in Cameroon. In 1987 Unilever decided to withdraw from plantation production in South West Cameroon because of the serious crisis in the domestic agro-industrial sector, and to put its subsidiary, the Plantations Pamol du Cameroun Ltd, into voluntary liquidation (Konings, 1989b). The liquidator of the company, Mr C.G. Mure, decided to drastically re-organise the company before selling it to the highest private bidder. In 1989 he announced that the company would gradually shift from estate

²⁰ CDC Annual Reports and Accounts, 1971-1987.

production to smallholder production: not less than 60% of the company's future production was to be based on smallholder production. A special Smallholder Unit was to be created within the corporation which would render every possible assistance to the scheme's participants. Producer prices were to be increased and smallholders would be entitled to own shares in the company and to be represented on the Board of Directors. It remains to be seen how the company's neighbour, the CDC, will react to this drastic change in agro-industrial production.