1

PM-1 3½"x4" PHOTOGRAPHIC MICROCOPY TARGET
NBS 1010a ANSI/ISO #2 EQUIVALENT

PRECISIONSM RESOLUTION TARGETS

National Library
of Canada

Acquisitions and
Bibliographic Services Branch

325 Wellington Street
Ottawa, Ontario
K1A 0N4

Bibliothèque nationale
du Canada

Direction des acquisitions et
des services bibliographiques

395, rue Wellington
Ottawa (Ontario)
K1A 0N4

Your file Votre référence

Our file Notre référence

NOTICE

The quality of this microform is heavily dependent upon the quality of the original thesis submitted for microfilming. Every effort has been made to ensure the highest quality of reproduction possible.

If pages are missing, contact the university which granted the degree.

Some pages may have indistinct print especially if the original pages were typed with a poor typewriter ribbon or if the university sent us an inferior photocopy.

Reproduction in full or in part of this microform is governed by the Canadian Copyright Act, R.S.C. 1970, c. C-30, and subsequent amendments.

AVIS

La qualité de cette microforme dépend grandement de la qualité de la thèse soumise au microfilmage. Nous avons tout fait pour assurer une qualité supérieure de reproduction.

S'il manque des pages, veuillez communiquer avec l'université qui a conféré le grade.

La qualité d'impression de certaines pages peut laisser à désirer, surtout si les pages originales ont été dactylographiées à l'aide d'un ruban usé ou si l'université nous a fait parvenir une photocopie de qualité inférieure.

La reproduction, même partielle, de cette microforme est soumise à la Loi canadienne sur le droit d'auteur, SRC 1970, c. C-30, et ses amendements subséquents.

Canada

**THE ECONOMIC CRISIS OF GHANA:
NON-CONFORMITY WITH THE INDIGENOUS POLITICAL CULTURE
AS THE ROOT CAUSE**

by

**DANIEL TETTEH OSABU-KLE,
M.P.A; P.T.S.C; B.ENG**

**A thesis submitted to
the Faculty of Graduate Studies and Research
in partial fulfilment of
the requirements for the degree of
Doctor of Philosophy
Department of Political Science
Carleton University
Ottawa, Ontario
April 5, 1994**

National Library
of Canada

Bibliothèque nationale
du Canada

Acquisitions and
Bibliographic Services Branch

Direction des acquisitions et
des services bibliographiques

395 Wellington Street
Ottawa, Ontario
K1A 0N4

395, rue Wellington
Ottawa (Ontario)
K1A 0N4

Your file Votre référence

Our file Notre référence

The author has granted an irrevocable non-exclusive licence allowing the National Library of Canada to reproduce, loan, distribute or sell copies of his/her thesis by any means and in any form or format, making this thesis available to interested persons.

L'auteur a accordé une licence irrévocable et non exclusive permettant à la Bibliothèque nationale du Canada de reproduire, prêter, distribuer ou vendre des copies de sa thèse de quelque manière et sous quelque forme que ce soit pour mettre des exemplaires de cette thèse à la disposition des personnes intéressées.

The author retains ownership of the copyright in his/her thesis. Neither the thesis nor substantial extracts from it may be printed or otherwise reproduced without his/her permission.

L'auteur conserve la propriété du droit d'auteur qui protège sa thèse. Ni la thèse ni des extraits substantiels de celle-ci ne doivent être imprimés ou autrement reproduits sans son autorisation.

ISBN 0-315-93019-5

Canada

Name DANIEL ESKOL-KLE

Dissertation Abstracts International is arranged by broad, general subject categories. Please select the one subject which most nearly describes the content of your dissertation. Enter the corresponding four-digit code in the spaces provided.

POLITICAL SCIENCE - GENERAL

SUBJECT TERM

0615

U-M-I

SUBJECT CODE

Subject Categories

THE HUMANITIES AND SOCIAL SCIENCES

COMMUNICATIONS AND THE ARTS

Architecture 0729
Art History 0377
Cinema 0900
Dance 0378
Fine Arts 0357
Information Science 0723
Journalism 0391
Library Science 0399
Mass Communications 0708
Music 0413
Speech Communication 0459
Theater 0465

EDUCATION

General 0515
Administration 0514
Adult and Continuing 0516
Agricultural 0517
Art 0273
Bilingual and Multicultural 0282
Business 0688
Community College 0275
Curriculum and Instruction 0727
Early Childhood 0518
Elementary 0524
Finance 0277
Guidance and Counseling 0519
Health 0680
Higher 0745
History of 0520
Home Economics 0278
Industrial 0521
Language and Literature 0279
Mathematics 0280
Music 0522
Philosophy of 0998
Physical 0523

Psychology 0525
Reading 0535
Religious 0527
Sciences 0714
Secondary 0533
Social Sciences 0534
Sociology of 0340
Special 0529
Teacher Training 0530
Technology 0710
Tests and Measurements 0288
Vocational 0747

LANGUAGE, LITERATURE AND LINGUISTICS

Language
 General 0679
 Ancient 0289
 Linguistics 0290
 Modern 0291
Literature
 General 0401
 Classical 0294
 Comparative 0295
 Medieval 0297
 Modern 0298
 African 0316
 American 0591
 Asian 0305
 Canadian (English) 0352
 Canadian (French) 0355
 English 0593
 Germanic 0311
 Latin American 0312
 Middle Eastern 0315
 Romance 0313
 Slavic and East European 0314

PHILOSOPHY, RELIGION AND THEOLOGY

Philosophy 0422
Religion
 General 0318
 Biblical Studies 0321
 Clergy 0319
 History of 0320
 Philosophy of 0322
Theology 0469

SOCIAL SCIENCES

American Studies 0323
Anthropology
 Archaeology 0324
 Cultural 0326
 Physical 0327
Business Administration
 General 0310
 Accounting 0272
 Banking 0770
 Management 0454
 Marketing 0338
Canadian Studies 0385
Economics
 General 0501
 Agricultural 0503
 Commerce-Business 0505
 Finance 0508
 History 0509
 Labor 0510
 Theory 0511
Folklore 0358
Geography 0366
Gerontology 0351
History
 General 0578

Ancient 0579
Medieval 0581
Modern 0582
Black 0328
African 0331
Asia, Australia and Oceania 0332
Canadian 0334
European 0335
Latin American 0336
Middle Eastern 0333
United States 0337
History of Science 0585
Law 0398
Political Science
 General 0615
 International Law and Relations 0616
 Public Administration 0617
Recreation 0814
Social Work 0452
Sociology
 General 0626
 Criminology and Penology 0627
 Demography 0938
 Ethnic and Racial Studies 0631
 Individual and Family Studies 0628
 Industrial and Labor Relations 0629
 Public and Social Welfare 0630
 Social Structure and Development 0700
 Theory and Methods 0344
Transportation 0709
Urban and Regional Planning 0999
Women's Studies 0453

THE SCIENCES AND ENGINEERING

BIOLOGICAL SCIENCES

Agriculture
 General 0473
 Agronomy 0285
 Animal Culture and Nutrition 0475
 Animal Pathology 0476
 Food Science and Technology 0359
 Forestry and Wildlife 0478
 Plant Culture 0479
 Plant Pathology 0480
 Plant Physiology 0817
 Range Management 0777
 Wood Technology 0746
Biology
 General 0306
 Anatomy 0287
 Biostatistics 0308
 Botany 0309
 Cell 0379
 Ecology 0329
 Entomology 0353
 Genetics 0369
 Limnology 0793
 Microbiology 0410
 Molecular 0307
 Neuroscience 0317
 Oceanography 0416
 Physiology 0433
 Radiation 0821
 Veterinary Science 0778
Zoology 0472
Biophysics
 General 0786
 Medical 0760

EARTH SCIENCES

Biogeochemistry 0425
Geochemistry 0996

Geodesy 0370
Geology 0372
Geophysics 0373
Hydrology 0388
Mineralogy 0411
Paleobotany 0345
Paleoecology 0426
Paleontology 0418
Paleozoology 0985
Palynology 0427
Physical Geography 0368
Physical Oceanography 0415

HEALTH AND ENVIRONMENTAL SCIENCES

Environmental Sciences 0768
Health Sciences
 General 0566
 Audiology 0300
 Chemotherapy 0992
 Dentistry 0567
 Education 0350
 Hospital Management 0769
 Human Development 0758
 Immunology 0982
 Medicine and Surgery 0564
 Mental Health 0347
 Nursing 0569
 Nutrition 0570
 Obstetrics and Gynecology 0380
 Occupational Health and Therapy 0354
 Ophthalmology 0381
 Pathology 0571
 Pharmacology 0419
 Pharmacy 0572
 Physical Therapy 0382
 Public Health 0573
 Radiology 0574
 Recreation 0575

Speech Pathology 0460
Toxicology 0383
Home Economics 0386

PHYSICAL SCIENCES

Pure Sciences

Chemistry
 General 0485
 Agricultural 0749
 Analytical 0486
 Biochemistry 0487
 Inorganic 0488
 Nuclear 0738
 Organic 0490
 Pharmaceutical 0491
 Physical 0494
 Polymer 0495
 Radiation 0754
Mathematics 0405
Physics
 General 0605
 Acoustics 0986
 Astronomy and Astrophysics 0606
 Atmospheric Science 0608
 Atomic 0748
 Electronics and Electricity 0607
 Elementary Particles and High Energy 0798
 Fluid and Plasma 0759
 Molecular 0609
 Nuclear 0610
 Optics 0752
 Radiation 0756
 Solid State 0611
Statistics 0463

Applied Sciences

Applied Mechanics 0346
Computer Science 0984

Engineering
 General 0537
 Aerospace 0538
 Agricultural 0539
 Automotive 0540
 Biomedical 0541
 Chemical 0542
 Civil 0543
 Electronics and Electrical 0544
 Heat and Thermodynamics 0348
 Hydraulic 0545
 Industrial 0546
 Marine 0547
 Materials Science 0794
 Mechanical 0548
 Metallurgy 0743
 Mining 0551
 Nuclear 0552
 Packaging 0549
 Petroleum 0765
 Sanitary and Municipal 0554
 System Science 0790
Geotechnology 0428
Operations Research 0796
Plastics Technology 0755
Textile Technology 0994

PSYCHOLOGY

General 0621
Behavioral 0384
Clinical 0622
Developmental 0620
Experimental 0623
Industrial 0624
Personality 0625
Physiological 0989
Psychobiology 0349
Psychometrics 0632
Social 0451

The undersigned hereby recommend to
the Faculty of Graduate Studies and Research
acceptance of the thesis,

**THE ECONOMIC CRISIS OF GHANA: NON-CONFORMITY WITH THE
INDIGENOUS POLITICAL CULTURE AS THE ROOT CAUSE**

submitted by

Daniel T. Osabu-Kle, B.Eng. P.T.S.C., M.P.A.

in partial fulfilment of the requirements
for the degree of Doctor of Philosophy

Chair, Department of Political Science

Thesis Supervisor

External Examiner

Carleton University
May 16, 1994

ABSTRACT

The dissertation is concerned with the root cause of the economic crisis of Ghana. Because of cross-cutting cleavages and lack of class consciousness in Ghanaian society, the elite analysis approach was preferred. The various governments of Ghana were considered as shifting coalitions of elites each with its own ideological preferences.

The central argument of the thesis is that elite misfit resulting from blind emulation of alien ideologies continuously prevented the achievement of the political prerequisites for sustainable and successful economic development culminating in the economic crisis.

After an introduction to the background of the thesis, statistical techniques including reliability analysis and multiple regression were employed to analyze the performance of the economy at the aggregated level of Gross National Product (GDP) and the disaggregated sectoral levels, and to analyze the perceptions of the Ghanaian elite. At the aggregated (GDP) level, the independent variables appeared to have significant relationships with the dependent variable. However, at the disaggregated sectoral level, the same independent variables did not have significant relationships with the components of GDP indicating that a more fundamental factor acting through the independent variables was responsible for the apparent significant relationships at the aggregated level. The statistical analysis provided clues which pointed to the politico-cultural environment as the fundamental factor and why the Ghanaian elite fail to perceive it.

Elite approach analyses of a typical indigenous rule and the historical experience of Ghana confirmed that the misfit between the elite and the alien cultures they emulated might have continuously undermined the attainment of the political pre-requisites for successful economic development culminating in the present economic crisis. It was recognized that existing English vocabulary was inadequate to represent or describe the peculiar experience of the Ghanaian elite. New concepts were introduced to fill the gap.

It was argued that certain problems of the agriculture industry link perceived by foreign observers and other writers might be mere reflections of this fundamental factor. It was concluded that the most effective resolution of the economic crisis might be realized through a return to the indigenous consensual culture.

ACKNOWLEDGEMENTS

I wish to express my sincere gratitude to Professors V.S Wilson and Bruce A. Mcfarlane of Carleton University who guided and encouraged me in a spirit of friendship and cordiality throughout the period of research and study, and to Professors Scott Bennett, Jane Jenson, Peter Emberley, all successive Graduate Supervisors of the Department of Political Science, Carleton University, who were very understanding and very helpful.

I extend my special thanks to Angela Zelmer, Professor Harvey Lithwick, Dean Wise, the Assistant Vice President (International), Professor D.R.F Taylor, and to the Associate Dean, Dr. Ken McGillivray, all of Carleton University, for their willingness to assist when necessary. I am very grateful to the Indira Gandhi Fellowship without whose financial aid during the first year, it might not have been possible for me to attempt the course. To Mr. Harold Jones, Rev. Lawrence DeWolfe and Rev. Cedric Pettigrew all of the Erskine Presbyterian Church of Ottawa, and Jane M.A Sauer of the Canadian Public Service, I extend my sincere thanks for their moral support, encouragement and willingness to assist in various ways.

I am particularly thankful to Mr. Joseph Akuetteh Ayerh who, in spite of many odds and risks, so effectively supervised the distribution of the questionnaires in Ghana and returned them to me.

To my wife, Mrs Florence Osabu-Kle who assisted with the typing of the document, I extend special thanks.

I dedicate this work to my wife, Mrs Florence Osabu-Kle, and to all my children.

TABLE OF CONTENTS

Abstract	i
Acknowledgements	ii
Contents	iii
List of Tables	v
Preface	vi
Part 1	3
Chapter 1 Introduction and Background	4
The Need For Restructuring	4
The Necessity For Pre-conditions	10
Internalist and Externalist Explanations	15
Ghana as a Critical Case	20
Central Argument of the Thesis	21
Theoretical Framework	23
The Need For New Concepts	27
Part 2	30
Chapter 2 Statistical Analysis	31
Statistical Analysis of Major Variables	42
Growth of Gross Domestic Product (GDP)	46
Growth of Agriculture and other Sectors	50
The Hidden Control Factor	62
Summary	76
Part 3	78
Chapter 3 Relevance of Elite Analysis	79
Chapter 4 The Indigenous Political Culture	90
The Economic Market-place	96
Some Advantages of the Indigenous System	97
Adaptation of the Indigenous Culture	99
Characteristic Features of the Modified System	102

Part 4	105
Chapter 5 The Pre-Independence Period 1945-1957	106
Configuration of Social Groups	107
Power of Elite Unity in the Indigenous System	114
Decline in Elite Unity	114
The Notion of Enemy in the Party System	126
Tactical Action- Politico-Economic Stagnation	138
The Development of Counter-Elitism	154
Evidence of Elite Disunity After the Elections	164
Part 5	169
Chapter 6 The Post-Independence Nkrumah Era	170
Post-Independence Weakening of the Economic	175
The Political and Ideological Turn	183
The Socialist Problematic	192
Some Achievements of the CPP Government	209
The Coup - Further Exposure of Elite Disunity	213
Chapter 7 The Post-Nkrumah Era	222
The NLC Government	222
The Busia Era	227
The NRC, SMCs, and AFRC Regimes	231
The Liman Era	246
The Provisional National Defence Council Era	249
Part 6	271
Chapter 8 Explanation - Agriculture-Industry Interface	272
Chapter 9 Conclusion	278
Appendices	296
Appendix A Evidence of Disunity/Political Instability	297
Appendix B Statistical Analysis - Questionnaire	307
Appendix C Selected Bibliography	314
Appendix D Glossary	322

LIST OF TABLES

CHAPTER	TABLE	DESCRIPTION	PAGE
2	1	Average GNP Growth/Inflation Rates	34
	2	Growth Rate of Important Indicators	34
	3	Variation of Index of Food Production and Resulting Imports and Food Aid	35
	4	Average Growth Rate of Merchandise Trade and Terms of Trade Situation	36
	5a	Debt Structure	37
	5b	Debt Flows	38
	5c	Debt Ratios	39
	5d	Major Economic Aggregates	40
	6a	Major Political Events	43
	6b	Aggregate/Disaggregated Growth Rates	44
5	1	The Cocoa Marketing Board and Ghanaian Reserves in London	143
	2	Ghanaian Dollar Allocations 1951-1954	144
	3	Prices and Volumes of Cocoa Exports 1950-1964	156
6	1	Wages of Unskilled Workers in Accra 1939 to 1963	190
	2	The Unemployment Situation 1960	191
7	1	General Land Distribution Pattern	234
	2	Relative Prices of Food and Cocoa	238
	3	Relative Prices of Food/Non-food and food/cocoa	265

PREFACE

The thesis to be discussed is "That inability on the part of the Ghanaian political elite to create an encompassing and effective coalition compatible with the consensual culture of Ghana and capable of defining and sustaining policies appropriate to the long term interest of the nation might be the primary cause of the economic crisis." In other words, the Ghanaian political elite might have been able to achieve the political pre-requisites for economic development through the indigenous political culture based upon rule by the consensus of encompassing coalitions. The thesis suggests that by forsaking the indigenous political culture to emulate alien political cultures blindly, the elite failed continuously to achieve the necessary political pre-requisites resulting in continuous economic mismanagement and the present economic crisis. The nature of the thesis and the approach of elite analysis adopted calls for the need to be both historical and empirical. Also, the background of the author affords him some special advantages in this regard.

The author has witnessed the political and economic struggles of Ghana before and after independence. He was a former Minister in the government of Ghana, a former Director of Civil Aviation, a former senior lecturer at one of the highest post-graduate institutions of Ghana - the Ghana Institute of Management and Public Administration (GIMPA), and a former senior officer of the Ghana Armed Forces. As an officer of the Ghana Armed Forces, he appreciated the reasons for the various military take-overs and was a witness to the failures and successes of those military regimes. Also, during the period when he was a senior lecturer at GIMPA, he acted as a management consultant to enterprises of both the State and private sectors and became aware of the problems of the economic institutions of both sectors. As the Director of Civil Aviation, he became a participant in the administrative network for the realization of the purposes of the State. As a Regional Secretary (the equivalent of a Regional Minister and a Cabinet Minister), he acquired invaluable knowledge and experience about the nature and operation of internal and

external political and economic forces, their influences, and advantages as well as the dangers they posed.

In addition, the author's membership in one of the royal houses of the Ga State of Ghana exposed him to the principles, values and practices of a typical "rule by the consensus" of an encompassing coalition indigenous to Ghana. Thus, the informed background of the author affords him the opportunity to analyze Ghana's economic crisis critically, combining theoretical knowledge with practical experience.

In the view of the author, Ghanaian administrators, managers and professionals have been trained mostly either in the west or locally in accordance with the high standards of western professional and academic syllabi. These high standards of competence have been substantiated by their commendable performances in international arenas such as agencies of the Commonwealth, the World Bank and the United Nations. Why is it that compatriots and contemporaries with the same background in training, operating in the Ghanaian environment with the human and material resources at their disposal, have not been able to achieve economic success to the extent that Ghana is now in persistent economic crisis?

Various explanations, including problems of the agriculture-industry link which suggest elite incompetence, self-interest and urban bias, have been advanced. Others have blamed the crisis on external variables such as unfavourable terms of trade, oil pricing and monetary shocks, and protectionism in the international marketplace. In the author's opinion, these explanations might be either secondary or reflections of a deeper politico-cultural problem - a misfit between the Ghanaian political elite and the alien political cultures that were emulated. The resulting political tensions and discontinuities in government prevented the political elite from defining and sustaining policies in the long term interest of the nation. In other words, the political pre-requisites for successful development, whether by associative or dissociative posture, have never been attained.

The analysis of the thesis is divided into parts with various chapters. Part one of the thesis is concerned with a general introduction that provides the reader with background information about Ghana and the rationale of the thesis. Part two of the thesis gives a statistical analysis of the economic and political variables and provides clues which establish that the roots of the economic crises are to be found

in the political through a historical analysis. Part three argues that because the indigenous political culture is based upon a rule by the consensus of elites, the elite analysis approach is best suited for the historical analysis of the Ghanaian scene. Using the elite analysis approach, the pre-independence period is analyzed in part four and the post-independence period in part five.

After a careful longitudinal analysis of the Ghanaian political scene, the author concludes in part six that the Ghanaian culture of rule by the consensus of an encompassing coalition might be an indispensable political means of attaining the political pre-requisites for successful resolution of the economic crisis.

Page ix

Notes

Page 2

Notes

Page 3

PART ONE

CHAPTER ONE

INTRODUCTION AND BACKGROUND

The preface provided a general view of the structure of the analysis of the thesis by parts. In this introduction and background of the thesis which constitutes part one of the analysis, the general need for restructuring of the economy, the tension between the political and the cosmopolitical in the restructuring process, the proposed integrative strategies, the necessity for certain pre-conditions for successful development, and reasons for failure to attain these pre-conditions will be explained. It will be argued that both the internalist and externalist explanations of the economic crises fall short of explaining the root causes of the crises.

Also, it will be explained that Ghana's experience provides a critical case for the analysis of the economic crises of sub-Saharan Africa and of the developing world in general. The central argument of the thesis will be explained and the preference of the elite analysis approach as the theoretical framework for the analysis of the Ghanaian political scene will be discussed. In addition, the nature of the variables, the methodology adopted and the justification for the period of analysis will be explained.

THE NEED FOR RESTRUCTURING OF THE ECONOMY

Before and after the attainment of independence, the political elite in developing countries, in general, find that there is need to restructure the economies of their respective countries if the development objectives are to be realised. Indeed, their struggle for independence was motivated partly by the desire

to re-structure their economies. Because the economies of most developing countries are agricultural in character to begin with, agriculture has an important part to play in this structural transformation process. The process might begin by diversification of the agricultural sector to provide a sound basis for the restructuring. In further expansion of the process, at the aggregated level, agriculture may provide a flow of resources such as labour and capital to the rest of the economy. At a more disaggregated level, agriculture may contribute to the realisation of the development objectives such as "economic growth; equitable distribution of wealth and poverty alleviation; improvement in the balance of payments; reduced dependence on the rest of the world; and greater price stability...."¹ Agriculture may also contribute to the realisation of other socio-economic objectives.

The mining and manufacturing industries are some of the sectors which may benefit from the flow of resources from agriculture. With careful and dedicated planning, these sectors may also help to provide inputs which are vital to the development and strengthening of the agricultural base and other sectors. Indeed, there is need for harmonious and supportive intra-sectoral as well as inter-sectoral relations. If these relations are jeopardised through some means, the sectors may become affected adversely culminating in a dangerous and unwarranted vicious cycle of economic and political crisis. Factors which may contribute to jeopardise these relationships may be external or internal.

TENSION BETWEEN THE POLITICAL AND THE COSMOPOLITICAL IN THE RESTRUCTURING PROCESS

Because the structural transformation process takes place in a world environment, there is tension between the notions of political economy and the cosmopolitical economy. In this context, political

¹Lecaillon, J; Morrison, C et al., Economic Policies and Agricultural Performance of Low-Income Countries, 1987, OECD Development Centre, Development Studies, page 39.

economy is the consideration of how a particular nation, in the present state of the world and its own developed national relations can, improve or at least maintain its economic conditions. It embodies a theory of productive powers. Cosmopolitical economy, on the other hand, is the consideration of how the entire human race may attain prosperity. It rests on the assumption of a perpetual state of peace and harmonious relations among the nations of the world. It takes for granted the existence of fair and unimpeded exchange of goods among nations. Therefore, it embodies a theory of values of exchange only. Various claims and strategies have been advanced in respect of the tension between the two types of economies.

Cosmopolitical economy finds expression through Smithian economics based upon efficiency arising from division of labour. Because of its assumption of a perpetual peaceful world in which unimpeded and fair exchange takes place, inequalities arising from this exchange on a world scale are not considered. Also, it implies a mono-economics claim that the advanced industrialised countries differed only quantitatively from the developed countries in their endowments of productive assets but not qualitatively or structurally. Attention is not paid to the differing hierarchy of needs of countries at various stages of development, the cultural context in which the acquisition of productive assets takes place and the possibility of structural consequences arising from economic relations. Another implication is the mutual benefit claim based upon the Ricardian notion of comparative advantage that economic relations between the industrialised and the developing countries can yield benefits for both and make the parties concerned better off than they might be otherwise.² This notion of mutual benefit allows for a possibility Ricardian reversal of comparative in the long run indicating, again, an underlying assumption of no qualitative or structural consequences attending to production and economic relations.

Because development experience has been characterised by structural consequences and inequalities in economic relations leading to an ever widening gap between the rich and the poor, the above claims fail

²See Albert Hirschman, Essays in Trespassing: Economics to Politics and Beyond (New York: Cambridge University Press, 1981).

to explain adequately the tension between the political economy and the cosmopolitical economy. The European experience in development, for example, indicated that it was dangerous for weak economies like Portugal and Spain to meet an industrially superior country such as Britain on the grounds of laissez-faire and free trade. The weaker economies were undermined in their attempt to build up equally powerful economies by the more industrialised and more powerful European nations. They became transformed into tributary and highly dependent economies.³ The European experience showed also that for late industrializers, deliberate state intervention and the judicious use of external tariffs was necessary.

The same character of relegation to the periphery of development accompanied colonialism as the colonised nations were induced to supply the needed raw materials and agricultural products while serving at the same time as markets for the manufactured goods. This structure of economic relations tended to persist even after independence. Contrary to the prediction of Smithian economics and the mutual benefit claim, the ensuing global division of labour was not equitably beneficial to the participants. Because the production of manufactured goods offered increasing returns to scale which was very difficult for the production of primary goods to attain, the division of labour became hierarchical both in the structure of production and in the benefits reaped. The consequence is the ever widening gap between the rich and poor nations from which developing countries, in general, wish to free themselves.

PROPOSED INTEGRATIVE STRATEGIES

Given the possibility of unequal benefits in economic relations and the attendant danger of relegation to the periphery of development, the problem reduces to how developing countries can integrate themselves into the world economy in order to maximise and sustain their gains to achieve their development objectives. Several proposals have been put forward.

Among the proposals put forward is the associative posture of outward oriented or export-led

³See Senghaas, Dieter, The European Experience. 1985, Berg Publishers, New Hampshire.

development strategy cherished by the World Bank.⁴ The virtues ascribed to this strategy include the possibility of increased efficiency in the allocation of resources, competitiveness in the production of goods to the benefit of the consumer, and flexibility to adapt both to the opportunities offered by the world economy and to learn from the experience of the constraints it imposes. It is assumed that the industrialised countries will discipline themselves willingly by adjusting to the changing international division of labour and refraining from protectionism including support for their declining industries. The objective is to integrate the developing countries on the basis of dynamic comparative advantage. However, the character of international trade does not show that the industrialised countries have been able to discipline themselves on the issue of protectionism or that they ever intend to do so willingly.

In recognition that international trade is far from being equally or mutually beneficial between the developing and the developed countries, and in reaction to the current international market mechanisms which are unfavourable to developing countries, developing countries proposed the program of the New International Economic Order (NIEO) which calls for the integration of the developing countries in accordance with a plan in which redistributive principles are to guide the allocation of resources rather than market mechanisms. It is essentially, a modification of the associative posture on terms favourable to developing countries. Thus, it calls for commodity agreements with a common fund to stabilise or increase export earnings of developing countries from raw materials; preferential and non-reciprocal measures in the access to markets of the industrialised countries; greater share for developing countries in world industrial production; easier access to credit and selective debt relief; codes of conduct for technology transfer and the behaviour of transnational corporations; greater influence over decision-making of the International Monetary Fund (IMF) and the World Bank and a greater say by the General Assembly of the United Nations (UN), where the developing countries are in the majority, over the social and economic systems of the UN. These proposals have not been attended to as adequately as the developing

⁴IBRD, World Development Report, 1981, page 25.

countries had expected.

The third proposal is that of dissociation or delinking which, unlike the NIEO, does not seek integration by developing countries into the international economy on any easy terms. To achieve development objectives, this proposal considers it necessary to pursue dissociative and self-reliant policies. Theoretically, dissociation and self-reliance amount to the negation of dependency and liberalisation. The values of liberal capitalism centred on the individual as the primary unit of analysis is replaced by the community as the primary unit that serves the purpose of the whole collectivity. Production is for use value and is aimed at the satisfaction of basic consumption needs. Co-operation between like units rather than competition is cherished. Endogenous means of attaining desired objectives of the community or the collectivity is preferred. The guiding principle is to use local factors to produce for local consumption requirements identified by the community or the collectivity as a whole. The aspirations of collective self-reliance is compatible with socialism which also embraces community achievements as opposed to achievements of the individual. Therefore, there is a danger of labelling any self-reliant strategy as socialist inspired.

Although some countries such as the Soviet Union, Cuba and post-revolutionary China had adopted more radical dissociation stance, pure dissociation is rare. For example, prior to the split in relations between the Soviet Union and China, the latter received substantial assistance from the Soviet Union. Cuba also received substantial amount of aid from the Soviets. What exists in practice is selective dissociation in which particular areas are selected for dissociation and preference is given to co-operation with those in the same economic or ideological position.

The program of collective self-reliance of the Group 77 adopted at Arusha in 1981, is a form of selective dissociation.⁵ Thus, its objectives included trade preferences among developing countries; co-

⁵See "Arusha Programme for Collective Self-Reliance and Framework for Negotiations" adopted at the Fourth Ministerial Meeting of the Group of 77, Arusha, February 12-16, 1969, reprinted in Karl. P . Sauvent, The Group of 77. New York: Oceania, 1981, Annex 11.

operation among "parastatals" of developing countries; greater use of Third World payments and credit arrangements; industrial co-operation through the establishment of multinational enterprises by developing countries; and exchange of technical skills between developing countries aimed at building more appropriate and endogenous capacities. Even in such co-operation between developing countries, each country may try to maximise its gains and hence the arrangement may not be free from distortions and inequalities in the reaping of the benefits.

THE NECESSITY FOR APPROPRIATE POLITICAL PRE-CONDITIONS FOR SUCCESSFUL ECONOMIC DEVELOPMENT

Thus, in both associative as well as dissociative postures to development there is a requirement for a state capable of maximising gains from external co-operation. In the associative posture and, particularly, in the export-led strategy, the opportunities opened in the international economy may produce inequalities and dislocating consequences. Therefore, success may depend upon the prior existence of a state capable of exploiting the opportunities as well as absorbing or bringing the adverse political effects under control. Moreover, because of tariffs, quotas, and various protectionist measures, free trade between countries does not take place under conditions of laissez-faire.

Also, some additional problems may be encountered on the home front.

Left on its own, private enterprise may be tempted to pursue its narrow self-interest which may be unrelated to the national aspirations of dynamic comparative advantage. Because of external economies, private enterprises may be unwilling to invest in certain areas. Some amount of government planning and intervention is required if development objectives are to be achieved. Indeed, the difference between the export-led strategy and the inward looking or self-reliant alternatives lies not in government intervention but in the ends of the intervention, the areas targeted, and the instruments applied.

Thus, the development experiences of the Newly Industrialised Countries of Asia (Singapore, South Korea, Taiwan) which adopted the export-led strategy show that the governments of these countries followed market signals to identify their initial comparative advantage in the international division of labour. But they did not stick to this initial comparative advantage. Government interventionist techniques were used as instruments to diversify and maintain their comparative advantage. In the process, domestic means were devised to control the adverse consequences.

Their experiences confirm that the mutual benefit claim may be applicable only under conditions of judicious intervention of government. Therefore, the success of the export-led strategy requires the prior existence of appropriate political conditions. In this context, political conditions are deemed appropriate if they enable governing coalitions to integrate the interests of society, cushion and control strife accompanying development, and define, pursue and maintain coherent and nationalist development objectives. The appropriateness of political conditions depends upon the cultural environment. For example, a society with an authoritarian culture may be more prepared to accept authoritarian instruments or measures of control than a society with a democratic culture. What may be described as suitable prescription in one culture may be a misfit in another.

Also, the success of a dissociative posture requires the prior existence of appropriate political conditions. Groups which benefited from the previous associative posture may resist dissociation if their interests are jeopardised. Because such groups might have acquired the experience necessary for development so that their participation in the process may be indispensable, the problem becomes more complex. Moreover, the extensive and intensive planning requirements of this strategy may impose a heavy administrative burden. The problem is complicated further by the tendency in the developing countries to look down upon indigenous products and processes, and to stick to the foreign tastes acquired during the colonial period or the period of association.

In summary, the success or failure of both the associative and dissociative postures may be determined, in the final analysis, by internal factors, but the influence of the international situation on the

domestic factors may be undeniable as well. Chief among these internal factors may be the ability and capacity of governing coalitions to define and maintain coherent policies and to control the adverse effects of development within their cultural environment.

REASONS FOR THE ABSENCE OF THE NECESSARY PRE-CONDITIONS

But the political and administrative systems and institutions inherited by most developing countries were alien to their own culture, relatively weak and fell short of the required political conditions. These political and administrative institutions were either imposed before independence by the former colonial masters to foster their own interests or were emulated blindly and ideologically by local elites after independence.

Recognising the weakness of their political and administrative institutions, but not the cultural incompatibilities, many developing countries undertook the task of training their own cadres and were assisted in this effort by the developed world who had their own agendas. The training institutions were mostly either in the industrialised west or local institutions. The syllabi of the local institutions were for all intents and purposes the blueprints of the syllabi of the institutions of the western world. Little consideration was given to the cultural appropriateness of the type of training.

Because development was conceived of as equal to modernisation which involved industrialisation, it was thought that the acquisition of the knowledge, the attitudes and orientations of the industrialised west meant the acquisition of the necessary political and administrative pre-requisites to development that might make the newly trained elites (those who are to lead and guide the development process) competent enough to plan and implement development projects to attain the desired development objectives. Western approaches and methods were considered appropriate for the non-western environments indicating that the

cultural dimension (the orientations and attitudes of people arising from to history and experiences of the distant past) was not considered important enough. The political system approved by the colonialists before independence was granted was the western representative pattern of democracy without any consideration to cultural compatibility. To complete the process of westernization, the administrative system recommended to support both political and economic development was the western pattern. Thus, the success of projects was supposed to require the creation of central planning agencies, improvement of central administrative systems, budgeting, financial control, personnel management, and organisation and methods that pertained to the west.⁶

The western administrative pattern implied that the theoretical premises of the model of public administration which was assumed "ideal" for developing countries were the Weberian assumptions of a legal rational bureaucracy, the ideas of the classical school of scientific management and the "Planning, Organising, Directing, Staffing, Co-ordinating, Reporting and Budgeting (PODSCORB)" principles that moulded the thinking of intellectuals of the late thirties and forties. Developing countries' students were exposed to theories and concepts which were not, at that time, even applicable to developed western societies. Due to a complete misunderstanding of the ideal type, it was impossible to find organisations in the developed western societies which fitted the Weberian model, an organisational form which developing countries were expected to adhere to strictly. Because these models were alien to the developing countries and not well understood, there was a far greater misfit between the elites of developing countries and the models than what existed in the west.

What may be said to have been achieved through these programs was the theoretical knowledge pertaining to the western type of administrative development. But the performance of developing countries after the administrative development programs was very disappointing. The poor performance indicated that the structural transformation process was more complex than assumed, but its pointer to the root cause

⁶Heady, Ferrel. Comparative Public Administration, second edition, 1960, University of Michigan, page 42.

was ignored. The inadequacy and weakness of the technical institutions were recognised, but not the cultural incompatibility. For example, it was realised that although the real administration of development had to be carried out in various sectors by technical experts such as engineers and agronomists, the training of these personnel was either ignored or minimal. In most cases, these technical responsibilities were assumed by foreign experts who were isolated from the public administration component and, most often, did not know how the indigenous administrative system functioned. The attendant complications and confusions were enormous.

Also, at the time of independence, private capital was poorly developed partly because of colonialist discouragement. The poor development of private capital, in turn, meant that capital for investment had to be available from government investment, aid or loans from metropolitan governments and from multinationals who had their own hidden agendas. These sources of finance implied the extensive use of the already culturally incompatible and, hence, incompetent government bureaucracy for development and for the control of the multinationals which exacerbated the problems.

Other internal and external constraints posed problems necessitating the prior existence of strong and culturally compatible political and administrative institutions which the emulated alien institutions were unable to meet. These internal constraints included the underlying infrastructure arising from parsimonious colonialist policies; the underlying natural resource endowment; and the weather conditions, particularly, the rainfall pattern which is vital to the agricultural base. External constraints included the external terms of trade; foreign indebtedness; foreign aid with strings attached; unexpected shocks within the external environment such as the oil pricing and monetary shocks; competition and hostility in relation to investment capital such as cross-default clauses of the foreign banks and variable interest rates and in the import of capital equipment and technology; and protectionism in the international marketplace.

INTERNALIST AND EXTERNALIST EXPLANATIONS NOT ROOTS

In spite of the complex nature of the development process and the necessity of a prior existence of culturally compatible political conditions as explained above, some internalist and externalist explanations have been advanced to explain the economic crises in Sub-Saharan Africa which neglect the more fundamental politico-cultural problematic completely and, in so doing, have scratched only the surface and failed to penetrate to the roots. This is not to deny that these explanations serve as pointers to the nature of the root cause and provide some useful insights as to how the root cause may express itself under various conditions.

The externalist explanations blame the economic crises mainly on external variables. Some externalist arguments are based upon the structuralist interpretations of development first advanced through the theses of the Economic Commission for Latin America and later by some Marxist structuralists such as Samir Amin in his book Imperialism and Unequal Development, 1977, and Gunder Frank in his essay "The Development of Underdevelopment" 1966. These interpretations ignore arguments that the process of underdevelopment is internalised by structures created by agents within the underdeveloped countries themselves. Such an extreme structuralist position ignores the role of local agents and hence of politics. Thus, externalist explanations attribute the crises to the international economic system of unfavourable terms of trade for Africa; low demand elasticities for Africa's products accentuated by substitute products including synthetics; economic recession and high interest rates in the developed countries; and unexpected events in the external environment such as oil pricing and monetary shocks. The over-valuation of the American dollar is another cited example since both debts and external trade are denominated in U.S dollars. Also, inappropriate donor policies are blamed for the crises. Naturally, the elites of developing countries are pleased with the externalist explanations since it absolves them from any blame. But blaming

the crises mainly on external factors is dangerous. Apart from creating an illusion that the developing countries are not capable of overcoming their present predicament, it obscures the necessity for culturally compatible political pre-conditions for development and other contributing factors of internal nature.

Internalist explanations, on the other hand, attribute the crises to the irresponsible action of local elites without giving adequate consideration of the politico-cultural problematic. The arguments advanced recognise the role of local agents and hence of politics but lay too much emphasis on the negative aspects of this role. Local actors are blamed for problems associated with the agriculture-industry link which, in turn, are supposed to have been responsible for the crises. The World Bank, the International Monetary Fund (IMF) and some non-Marxist political economists such as Robert Bates in his book Markets and States in Tropical Africa, 1981, and Assefa Bequele in his essay "Stagnation and Inequality in Ghana", 1983, follow this line of argument. Their arguments tend to please right wing political actors and financial institutions in the Western countries interested in propagating an angelic and immaculate image of the west in its relations with the developing world. Apart from the naked expression of hypocrisy, such a position is dangerous since it obscures the more fundamental and important politico-cultural problematic which undermine the attainment of the necessary political pre-requisites for successful economic development, the hostility of the international environment towards developing countries, and the inequalities and distortions in the international market place which are not conducive to economic development in the developing world. Internalist explanations pick on the agriculture-industry link and identify several problems with it.

One of these problems is deemed to be inadequate forward and backward linkages between agriculture and industry which has contributed to a process of import reproduction in which there is little transfer of technology and little use of local inputs instead of import substitution in which there is substantial transfer of technology and substantial use of local inputs.⁷ The resulting import dependent

⁷Mytelka, L. K. "Unfulfilled Promise of African Industrialisation". African Studies Review, Volume 32, number 3, 1989, pp77-137.

industrialisation could not be supported by export earnings. In the process, both the agricultural base and the industrial sector were weakened continuously resulting in the present state of economic crises.

A second identified problem is the expansion of industry in the context of misguided import substitution and capital intensive policies. These import substitution strategies involve tariff protection for the industrial sector which turns the internal terms of trade against agriculture and extracts enormous resources from the agricultural sector. There is need to go more slowly on the industrial front and to use labour intensive technologies in both the agricultural and industrial sectors. Industrial growth will be assured through sustained increases in agricultural output and productivity in combination with strategies that distribute income in a manner that increases consumption of both agricultural and industrial goods locally and encourages investment. Advocates of this line of thought include Mellor and Johnston in their book The World Food Equation, 1987. The blind emulation of western culture with the interpretation of development as industrialization, underlying the preference for quick industrial development, is not explored adequately.

A third identified problem is concerned with the sort of markets, institutions or political structures that might achieve a successful co-ordination between the agricultural and industrial or non-agricultural development patterns. Lack of agricultural and economic success is regarded as the reflection of specific political and institutional structures which influence policies and are related to urban bias. How these structures came to be and their cultural incompatibility is not taken seriously into consideration. In the World Development report of 1986, Robert Bates and Assefa Bequele express such views.

One suggested solution is for the peasants to wield political power, but such a solution has its own problems. The peasants are not a homogeneous group, other sectors must be catered for and there is no guarantee that the peasants will use their power wisely in the long run. Another solution is an encompassing coalition capable of formulating, sustaining and implementing coherent policies, but how that coalition is to be formed remains a problem as evidenced by the both political instability and the failures of the socialist experiments on the continent. The root causes of the political instability and the failures

of the socialist experiments are not explored adequately. Lessons from the historical past and culture are not drawn upon to arrive at how an effective coalition might be created. The glorious historical past of the Ghana, Mali, Songhai, Ashanti, and Zulu empires and other indigenous political systems are shelved as though powerful coalitions had never existed in Africa.

A fourth problem is that the employment on non-food production reduces the size of the food surplus provided by those who remain in production. Although trade is supposed to minimise this problem, it is still important because of the acute shortage of foreign exchange. In his Political and Economic Origins of African Hunger, 1966, Michael .F. Loftchie supported this view. Adequate consideration is not given to the small size of the industrial sector and the inappropriate capital intensive industrialization strategies that employ a very small proportion of the labour force and the land tenure system that militates against agricultural production.

A fifth problem is that the agricultural base has been undermined through the failure on the part of governing elites to introduce land reforms necessary to support effective production. In his book Beyond Ujamaa in Tanzania , 1980, Hyden even suggests that the crises might be attributed to failure to capture the peasants into the market through a drastic land reform that would deprive the peasants of land and enable capitalism to take roots. He argues that because the peasants were permitted to own their means of production, they developed some consciousness that the state needed them but they did not need the state and they became resistant to mobilization by both capitalist and socialist systems. In this approach, the culturally compatible political pre-conditions for carrying out the land reforms are not explored adequately.

A sixth problem is that agriculture has been stifled through the manipulation of price signals by political and other vested interests. Extraction of surplus from agriculture has been excessive and the surplus so extracted has been invested unwisely in industry, to build political support or has been misappropriated by local officials. Thus, local elites are accused of deliberate suppression of agricultural prices to maintain low cost food supply for urban dwellers. The compensating and balancing effect of the culture of extended family system in the distribution of food between the urban and rural dwellers is not

taken into consideration. That the majority of the population is rural and, hence, any meaningful instrument of political support has to be targeted to the rural rather than the urban population is ignored. Also, elites are accused of being deliberately responsible for currency over-valuation which imposes hidden taxation on export goods, and widespread use of parastatal corporations which are corrupt and inefficient. The root causes of these elite behaviours are not explored sufficiently. Advocates of this line of argument include the World Bank, the IMF, D. Lal in his book The Poverty of Development Economics, 1985, and Bates.

In the author's view, the most dominant perception of the internalists is that the agriculture-industry link has become a destructive one as a result of counter-productive expansion of the industrial sector achieved through the manipulation of price signals by political and other vested interests. This presupposes that the culturally compatible political preconditions for development with integration into the world market exist, but the elites are not benign and have mismanaged the process. In the author's view, this kind of presupposition is not correct and dangerously obscures the more fundamental fact that local elites have never been able to create effective and encompassing coalitions compatible with Africa's cultural values with the capability of defining and sustaining coherent nationalist policies and to channel the gains from trade towards the building of dynamic comparative advantage.

However, the internalist and externalist explanations summarised above give some insight into the root causes of Africa's agricultural and economic crises. In the author's view, the extreme structuralist position gives the impression that local actors cannot do anything about the situation at all. Because history has shown that local actors can influence the course of change as evidenced by the success of the struggles for political independence, the thesis will be concerned more with analyzing the role of local actors within the influences and constraints imposed by both external and internal factors. Ghana is selected as a critical case of study in the analysis of the development problems of sub-Saharan Africa.

GHANA AS A CRITICAL CASE

Ghana was the first sub-Saharan African country to become independent in this century. It was a country with great aspirations for a better future and also a source of inspiration to other countries in the region and, indeed, to the so-called Third World. At the time of independence, it was, comparatively, a country with a full complement of educated elites and, although the economy depended largely on cocoa, it was considered a country with a strong economic base.

The dependence on a mono-crop economy, based on cocoa production, justified the desire to restructure the economy through diversification of the portfolio of production. Partly because of deteriorating terms of trade for agricultural products and partly because industrialisation became synonymous with development, a shift from agriculture was preferred to a shift back to the multi-crop economy of the past. The political climate within the country, however, has not been stable enough to enable coherent policies to be pursued and sustained. But political instability has not been the only problem of Ghana in the process of structural transformation. Other internal and external factors have made their impact.

Ghana has faced, for example, internal variables such as drought, a colonial heritage of poor infrastructure such as the transportation network, and a poor institutional framework. Also, like most non-oil producing countries, Ghana was affected adversely by the oil pricing and monetary shocks of the 1970s and 1980s. The various factors, alluded to above, make Ghana a typical and critical case for the analysis of the variables responsible for the economic crises of sub-Saharan Africa.

CENTRAL ARGUMENT OF THE THESIS

The central argument of the thesis is that the inability on the part of the Ghanaian political elite to create an encompassing and effective coalition compatible with the consensual culture of Ghana and capable of defining and sustaining policies appropriate to the long-term interest of the nation might be the primary cause of the economic crisis in Ghana. In other words, the economic crisis of Ghana is a reflection of a deeper societal problem - a misfit between the political elite and the alien political cultures that were emulated from both the west and the east. The tensions arising from the serious violations of Ghana's social and political culture were inimical to effective political leadership, continuity of government, and economic development. The implication is that because of a cultural problematic, the necessary political pre-conditions for successful economic development have never been attained. A secondary thesis is that other problems associated with the economic crisis such as the identified problems of the agriculture-industry link might be mere reflections of the deep seated politico-cultural problematic.

It will be argued that the unpredictable, hostile and constraining nature of the external environment coupled with constraints from the internal environment such as the rainfall pattern; the natural resource endowment; a colonial heritage of poor infrastructure, low development of private capital and the productive forces in general, low development of the political, administrative and technical institutions and a very vulnerable mono-crop economy required certain political pre-conditions for a successful structural transformation process which the Ghanaian political elite failed to attain.

Also, it will be explained that Ghanaians had an indigenous culture of rule by the consensus of encompassing coalitions suitable for the structural transformation process and which might have been adapted to suit the requirements of modern government, but was ignored. Ghanaians did not behave like the Roman god Janus with one face looking at their glorious past and the other face looking at their desired future to create their political and economic structures. It will be argued that the original cause of the inability to create a suitable and effective coalition was the adoption of foreign political and institutional

practices instead of adopting and refining their own familiar political culture. Later, the problem was aggravated by the inappropriate administrative drive of the 1960s, the conceptualisation of development as modernisation and industrialisation and the preferences of foreign ideologies by the Ghanaian elites which created divisions and political conflicts inimical to effective coalition formation.

The adherents to the western democratic and free market ideology could not co-operate effectively with the those who favoured the socialist ideology with its emphasis on state ownership. Indeed, both ideologies and their associated political practices, which were alien to Ghana, were not well understood. Even among the adherents to the western democratic practices, party politics was not well understood and coupled with the Ghanaian linguistic problem of interpreting the concept of opposition to mean enemy, it created divisions that were detrimental to the creation of an effective coalition. Also, it will be explained that the one party system of government, which was emulated from foreign socialist countries, was neither compatible with Ghanaian culture or an effective substitute for the indigenous practice of rule by the consensus of an encompassing coalition in establishing the political pre-requisites for successful development.

In addition, it will be argued that it is an effective coalition organised in accordance with Ghanaian cultural values that might have maintained prices close to the international level and used the gains from trade or other captured surplus to achieve a favourable and dynamic comparative advantage. It is such a coalition which might have adopted courageous and appropriate austerity measures to mitigate the adverse effects of the oil pricing and monetary shocks of the 1970s and 1980s.

Furthermore, evidence will be advanced in support of the view that in the absence of an effective coalition, successive Ghanaian governments succumbed to the demands of internal and external political forces to the detriment of the economy. In other words, the Ghanaian state was not able to sustain a relatively autonomous position with respect to both local and international political and economic interests so essential for development. It will be concluded that the indigenous and consensual political culture might still be the most effective political means of resolving the crisis.

THEORETICAL FRAMEWORK

For various reasons given below, the elite analysis approach is adopted as the theoretical framework. One reason is the recognition that the majority of the Ghanaian population is uneducated and accepts that those who are educated may rule. This view is substantiated by the evidence that even in traditional administration, educated people are preferred as heads of clans or as chiefs. Furthermore, the recent experiments with grassroots democracy in Ghana revealed both the incompetence and the unwillingness of the uneducated grassroots to rule and their preference for the more educated to lead them. Thus, peasants preferred to choose the more educated and well-to-do farmers to represent them rather than people from their own numbers. In the end, the Provisional National Defence Council had to abandon its grassroots policy and permit the local educated elites, clan heads and chiefs to lead and for managerial decisions to prevail at the work-place as before.

Secondly, because the majority of the Ghanaian population is uneducated, the vanguard of the structural transformation process had to come from the educated minority. It is elites from this educated minority who decide on the type of political structures, and the type of technology to be adopted in the various economic sectors, formulate policies, and recommend or approve the strategies for implementation. Also, it is recognised that in any particular time period there are elites who prefer the status quo and counter-elites who for ideological, political, economic, social or other reasons, desire a drastic change to the status quo. Even among those who prefer the status quo, there is a competition between various elite coalitions as to which of them should assume the reins of government. Within society itself, there are various interest groups led by elites who compete in their attempt to influence the decisions of the government of the day.

Furthermore, as explained in more detail later in part two, the traditional political culture is elitist in the sense that the heads of the various houses of a clan elect the clan head. The clan heads, in turn, form the electoral college that selects from a list of candidates whom the next chief or ruler should be.

The professional advisers or ministers to the ruler such as the chief farmer, the chief fisherman, or the chief mason are also elites representing their professional communities.

In adopting the approach of elite analysis, changes of government are considered as shifting coalitions of elites resulting from struggles or competition between elites who respond to pressures of interest groups or are motivated by ideological preferences or nationalist views. This is not to deny the existence of ideological or economic classes who might play roles in the course of events. Thus it is appreciated that class analysis and elite analysis are both tools that a political scientist may use suitably to explain political phenomena. The choice of any of these tools depends upon the nature of the case and the perception of the political scientist in that context. Thus, in his book Public Policy, 1983, Stephen Brooks explains plausibly that the various approaches may not be seen as contradictory, but equally appropriate approaches to explaining the same phenomena affected by complex variables.

The author is of the view that because of differences in contextual factors, no single western theory might be adequate in explaining Ghana's situation. Therefore, there is need to be eclectic. However, the approach of elite analysis is preferred to class analysis partly because of reasons given above and partly because class consciousness is weaker in Ghana compared to certain cleavages such as tribal affinity, the extended family system, or interest group affiliation.

ANALYSIS OF VARIABLES

For the purposes of analysis, the independent variable is taken as the ability of governments to create an effective, stable and encompassing coalition. The indicator of this ability is a weighted compound of the number of years of regime rule, its representativeness, the level of political violence, the level of openness or suppression of political opposition, the mode of replacement of the regime, continuity in ideology between the regime and the one succeeding it, and continuity in economic policy between the regime and the succeeding one. It is recognised that none of the components of this indicator is sufficient

in itself to represent the independent variable. For example, it is possible for a regime that is not encompassing to employ repressive measures to keep itself in power for a considerable number of years. On the other hand, a regime may be representative outwardly, but because of some internal conflicts, instead of a harmonious co-operation through consensus, it may be unstable.

The dependent variable is taken as the performance of the economy with special emphasis on the industrial and agricultural sectors. Relevant indicators of this variable include the Gross National Product (GNP) growth rate, the GNP per capita, the balance of payments position, imports and exports as percentage of GNP, agricultural production, productivity and growth, and industrial production, productivity and growth.

However, it is recognised that the dependent variable may be influenced to varying degrees, unavoidably, by secondary independent variables or control variables from both the internal and external environments. Where the influence of such a control variable is so strong that the relationship between the primary independent variable and the dependent variable may not be explained adequately except in terms of the control variable, special attention may be drawn. The danger of a spurious relationship arising when a control variable is strongly related to both the primary independent variable and the dependent variable is recognised. In addition, it is recognised that, in a spurious relationship, the problem is complicated by the possibility that the control variable may occur prior to the primary independent variable (a prior control variable) or between the primary independent variable and the dependent variable (an intervening control variable). The wide choice of possible control variables is intended to minimise this type of danger. The control variables from the internal environment might include the weather and climate such as the rainfall pattern, the rate of population growth, and the state of the infrastructure. The external control variables might include the terms of trade, foreign aid with strings attached, foreign indebtedness, unexpected events within the external environment such as the oil pricing and monetary shocks and protectionism. Considering the nature of the thesis and associated variables, it is appreciated that the compartmentalisation of the variables into independent, dependent and control variables is not leak-proof.

For example, a poor performance of the economy may give rise to political problems which may aggravate the problem of forming a strong coalition. The problem of multicollinearity where independent variables (whether primary or secondary) or indicators of political and economic phenomena are highly correlated may also not be ruled out within the period of study. Also, it is recognised that the nature of some variables or their indicators, such as economic policy, permits their analysis empirically in qualitative terms only.

The impact or the effect of the independent variables on the dependent variable may be analyzed, in general, by the regression approach or the mean differences approach. It is recognized, however, that it is advantageous to use the mean difference approach which involves the use of T-test analysis, analysis of variance, or analysis of covariance, in the analysis of data generated from true experimental design. Partly because the data to be analyzed are not the products of experimental designs and partly because almost everything that may be derived through the analysis of variance or covariance may also be achieved through regression, the regression approach is preferred except in some special cases concerning relations between certain nominal and interval variables.

THE PERIOD OF STUDY

The period of study for which the variables are examined is from the pre-independence period after the Second World War to the era of the Provisional National Defence Council government of Rawlings up to 1992. It is recognised that although Ghana attained independence on the 6th of March 1957, it achieved internal self-government earlier when local elites began to assume responsibility. Also, it is recognised that the events of the period chosen cannot be analyzed in isolation from the preceding period. Therefore, a brief history germane to the thesis is given.

The analysis recognizes that since independence, the Ghanaian political scene has been characterised by political instability. There have been several changes of government, including military

and revolutionary ones, each with its own ideological and political preferences, and impact on the economy. By spreading the analysis over a long period, there is a greater chance of proper identification and analysis of the more important variables.

THE NEED FOR NEW CONCEPTS

Due to the blind implantation of alien ideologies and their effects on the behaviour of elites which are peculiar to the Ghanaian environment, it is recognized that the existing English vocabulary might be inadequate to represent the particular experience of the Ghanaian elites, the peculiar character of the development process, and the special types of government that resulted. To overcome this problem, new concepts had to be coined through the partial concatenation of English, Latin, or a combination of English and Ga words. In this context, English is considered a dynamic language which expands its vocabulary through partial or full concatenation of English or foreign words, or full use of foreign words. Indeed, the British set an example by using the Ga word "Kwashiorakor" as a medical term for "a form of malnutrition caused by a protein deficiency of diet especially in young children".^{*} The advantage of the Ga vocabulary is its ability to represent with a single word conditions that might need a complete description in English.

New concepts introduced include the following:

"causlatenser" - derived from the Latin words "causativus" (producer of an effect) and "latens" (hidden) to represent a fundamental factor, resulting from the blind implantation of an alien ideology, that hides behind the scene and produces effects in such a manner as to make it appear that other variables are responsible for those effects.

^{*} Refer to the Concise Oxford Dictionary.

- "democracy" -** formed from the English words "demonstration" and "crazy" to represent the irrational and detrimental behaviour of elites resulting from the blind implantation of an alien ideology.
- "sociagocrazy" -** short form of "socialism-gone-crazy" to represent the crazy process of implantation of socialism by elites in complete disregard of the basic tenets of socialism and in an environment where the pre-conditions were totally non-existent.
- "mariagocrazy" -** short form of "martial-organizations-gone-crazy" to represent the irrational, divisive, and detrimental behaviour of the martial organizations (The army, navy, and air force) during a blind implementation of an alien culture of military rule.
- "amelucracy" -** derived partially from the Ga word "amelu" (which means a group of people who are so confused as to resort to irrational and detrimental acts.) to represent a type of government that results from the blind emulation of alien party politics.
- "martialmelucracy" -** derived from the English word "martial" (of the military) and the Ga word "amelu" (explained above.) to represent a type of government resulting from alien military rule.
- "sociameluism" -** derived from "socialism" and "amelu" (explained above) to represent the crude and confused type of ideology that resulted in the blind attempt to establish the alien ideology of socialism despite the absence of the essential pre-conditions.

Hopefully, these definitions will be explained in more detail later when each concept is introduced.

SUMMARY

This chapter explained the general background upon which the thesis is based, the preferred approach in the analysis of data, and the need for new concepts to represent the processes and the types of governments and ideologies that actually resulted from the blind emulation of alien ideologies. In the following chapter, statistical techniques will be used to analyze the pertinent economic and political variables during the period of the study.

PART TWO

CHAPTER TWO

STATISTICAL ANALYSIS OF THE ECONOMIC PROBLEM OF GHANA

OVERVIEW

The preceding chapter discussed the various explanations that have been advanced to explain the economic crises in sub-Saharan Africa and in the developing world in general. It defined the thesis, explained the background leading to it and argued that the historical experience of Ghana may be considered as a critical case for the analysis of the economic crises of sub-Saharan Africa.

In this chapter, statistical data analysis techniques will be used to argue that Ghana is a country endowed with adequate economic resources for development and to establish clues which point to the political environment as the root cause of the economic crisis. It will be argued that the unearthing of the political as the root cause of the economic crisis might be achieved through a historical analysis of the politico-economic environment of the Ghanaian scene.

Ghana is a country that is potentially self-sufficient in agriculture. The rainfall pattern is fairly stable in the south, particularly, in the southwestern part of the country. The regular southwest monsoon, coming across the Gulf of Guinea, brings a relatively heavy rain to the southwestern part of the country and moderately to the rest of the south but with little effect on the north. Consequently, the rainfall pattern in the north, though far better than the Sahel region, is by comparison less stable than in the south. The northeast harmattan that blows across the Sahara desert with varying intensity and duration brings unpredictable frequency of droughts to the northern regions of the country, but not to the extent of paralysing agriculture for continuous years. The south experiences a thirty year cycle of draught.

Crops such as cassava, cocoyam, coffee, cotton, cowpeas, corn, groundnuts, pineapples, rice, sugarcane, sorghum, tobacco, yams, potatoes, carrots, tomatoes and other tropical crops do well in Ghana. In the fruit world, Ghana is blessed with oranges, lime, grapefruit, avocado pear, mango, papaya, shea, oil palm, banana, plantain, cocoa, cola, coconut and other tropical fruits. Ghana is endowed with fertile lands with many rivers and streams. With proper irrigation strategies, storage and preservation facilities, Ghana may have little problem in being self-sufficient in agriculture at all times.

Indeed, agriculture may be the reliable springboard from which the country may be launched into successful industrialisation. Such a successful process might begin with the attainment of food sufficiency coupled with the simultaneous diversification of the export portfolio in agriculture, given the large number of crops that do so well in Ghana. Industrialisation might begin after a strong base has been laid in agriculture.

But contrary to the bright expectation from Ghana's agricultural potential, less than twenty percent of the fertile soil of Ghana is utilised whilst population growth outstrips food production and the nation is forced to import food. While fertile lands lie fallow, many in the rural areas are forced into becoming deficit farmers, prevented from producing enough for their own subsistence (due to the small size of land allocated to them) through a discriminative land tenure system, and compelled to seek wage employment in agriculture or elsewhere to supplement their income.

Moreover, the economic potential of Ghana may not be described solely in terms of agriculture. The country is blessed, also, in natural resources. Because of its resource in gold, the country was formerly called the Gold Coast and gold is found in Ghana still. Industrial diamonds, manganese, and bauxite exist in significant quantities. Iron ore, chromate, asbestos, kaolin, marble and limestone are natural resources found in quantities sufficient for internal consumption but not in exportable quantities. In recent years, there have been predictions of offshore gas and petroleum and some petroleum is being pumped off Saltpond in the Central region of the country but the country's potential still remains to be assessed.

In spite of all these resources and its agricultural potential, Ghana which once enjoyed a relatively high standard of living compared to most west African nations is now in economic crisis with its standard of living reduced drastically. Per capita income has declined continuously reducing Ghana from a position high in the middle income group of nations at the time of independence to a position low in the low income group in 1992. The cumulative effect of the downward economic spiral was reflected in key economic indicators. For example, between 1970 and 1972 real income per capita declined by 30 per cent; import volumes dropped by about a third as real export earnings fell by 52 per cent; and domestic savings declined from about 12 per cent in 1970 to almost nothing.⁹

Because of these economic reverses, the standard of living has deteriorated continuously to a situation in which about half the population is living in abject poverty. Ghana's basic needs indicators, once the best in Africa, are now very discouraging with basic health services and safe water accessible to barely half the population. Tables below show what happened to certain economic indicators over specified periods.

The average GNP growth rate was negative all through the years 1960 to 1988, a period of 28 years! (Table 1). It is not surprising that the average inflation rate increased to two figures. Since the inflation rate is compounding, the increase in the price level between 1960 and 1975 is astronomical and explains why the majority of the population lives in abject poverty.

Also, the performance of the various sectors of the economy had its effect on the growth of Gross Domestic Product (Table 2). Growth of agriculture declined continuously except for the 1973 to 1984 period when there was an insignificant growth of about 0.2 per cent; it stagnated between 1980 to 1987 and showed a poor growth of about 0.5 per cent between 1980 to 1988. The industrial and manufacturing sectors also declined for most of the period. Comparatively, the service sector fared better indicating a greater shift towards that sector than agriculture, industry or manufacturing. Gross domestic investment

⁹See World Bank, Trends in Developing Economies, 1991, page 233.

was negative for most of the period indicating a trend towards disinvestment and a pointer to why the agricultural, industrial and manufacturing sectors all declined (Table 2).

TABLE 1

Average GNP Growth and Inflation Rates

PERIOD	GNP GROWTH RATE	PERIOD	AVERAGE ANNUAL INFLATION RATE
1960-1976	-0.1	1960-1970	7.6
1960-1977	-0.3	1970-1976	23.5
1960-1978	-0.5	1970-1977	30.9
1960-1979	-0.8	1970-1978	35.9
1960-1980	-1.0	1970-1979	32.4
1960-1981	-1.1	1970-1980	34.8
1960-1982	-1.3	1970-1981	36.4
1965-1983	-2.1	1970-1982	39.5
1965-1984	-1.9	1973-1983	51.6
1965-1985	-2.2	1973-1984	52.2
1965-1986	-1.7	1980-1985	57.0
1965-1987	-1.6	1980-1986	50.8
1965-1988	-1.6	1980-1987	48.3
		1980-1988	46.1

Source: World Bank report, various years.

TABLE 2
GROWTH RATES OF IMPORTANT INDICATORS

PERIOD	GDP.	AGRIC.	INDUS.	MANU.	SERV.	INVEST
60-70	2.1	3.7	6.7	:	-1.4	-3.2
70-76	2.0	1.3	4.2	:	3.8	-0.3
70-77	0.4	-0.7	0.8	:	1.6	-8.6
70-78	0.4	-1.2	-2.3	-6.0	3.5	-8.3
70-79	-0.1	-0.2	-1.5	4.4	1.0	-7.9
70-80	-0.1	-1.2	-1.2	-2.9	1.0	-6.2
70-81	-0.2	0.0	-2.2	-1.0	0.4	-1.4
70-82	-0.5	-0.2	-2.4	-1.2	-7.5	-5.1
73-83	-1.3	:	-7.0	-6.2	-0.3	-8.1
73-84	-0.9	0.2	-6.9	-6.9	0.4	-5.4
80-85	-0.7	-1.3	-5.5	-5.6	2.2	-1.6
80-86	-0.7	-0.2	-2.4	-1.9	3.3	-0.5
80-87	-1.4	0.0	0.1	1.3	4.2	3.2
80-88	2.1	0.5	1.9	3.1	4.9	4.9

Source: World Development Report, various years.

The decline in the agricultural sector affected food production adversely resulting in heavy food imports and reliance on food aid. Also, there seems to have been a mild recovery in the late 1980s. The decline in food production was reflected in the average food production index for various periods with the 1965 to 1967 period as reference, and the cereal imports and food aid between 1974 and 1988 (Table 3).

TABLE 3
VARIATION OF INDEX OF FOOD PRODUCTION AND
RESULTING IMPORTS AND FOOD AID (1000THS OF METRIC TONS)

PERIOD	INDEX OF FOOD PRODUCTION *	YEAR	CEREAL IMPORTS	FOOD AID
65-67	100	1970	177	33
74-76	93	1981	256	94
75-77	85	1982	211	46
76-78	79	1983	285	58
77-79	82	1984	311	74
78-80	82	1985	292	94
79-81	72	1986	154	96
81-83	60	1987	223	64
82-84	68	1988	228	110
83-85	87			
84-86	81			
85-87	78			
86-80	80			

Source: World Development Report, various years.

* Calculated from source data.

The poor performance of the economy had devastating effects on Ghana's ability to export and hence on the ability to import the necessary inputs or spare parts for its industries. In addition, failure to diversify the export portfolio in agriculture and the subsequent heavy dependence on the mono-crop economy based on cocoa, which is vulnerable to fluctuations in the world market price, put Ghana in an unfavourable and unstable terms of trade position (Table 4).

TABLE 4

**AVERAGE ANNUAL GROWTH RATE OF MERCHANDISE TRADE
AND TERMS OF TRADE SITUATION**

PERIOD	EXPORTS	IMPORTS	YEAR	TERMS OF TRADE*
60-70	-1.4	-1.4	1960	92
70-76	-3.3	1.1	1970	100
70-77	-1.9	2.0	1976	101
70-78	-0.1	2.7	1977	93
70-79	-7.2	0.1	1978	80
70-80	-8.4	-3.3	1979	119
70-81	-7.1	-5.0	1980	91
70-82	-4.7	-4.8	1981	60
73-83	-6.4	-8.0	1982	56
73-84	-4.0	-7.4	1983	57
80-85	-7.9	-8.6	1984	90
80-86	-7.1	-4.6	1985	80
80-87	-1.6	-2.9		
80-88	1.1	-1.4		

Source: World Development Report, various years.

* Calculated from source data.

It is important to note that it was the failure of Ghana to diversify its export portfolio which made its terms of trade so unstable and unfavourable at certain times. It will be explained in more detail later in parts four and five of the historical analysis that Ghana had the opportunity to diversify its export portfolio and its economy but lost that chance through division and struggle between the political elite as alien partisan politics entered the political life of the nation. The country continues to pay dearly for this loss of opportunity. Thus, in the early 1980s when Ghana was subjected to a prolonged draught coupled with increase in petroleum prices and a softening in prices of the major exports of cocoa and gold, the terms of trade deteriorated sharply (table 4). The effect of this dismal terms of trade was to aggravate the already existing situation of downward economic spiral.

To arrest the deteriorating economic situation, the ruling government, the Provisional National Defence Council (PNDC) introduced an economic recovery program, in 1983, in consultation with the World Bank and the International Monetary Bank (IMF). The major objectives of the program included

a shift in relative prices in favour of production, particularly for exports; efficient import substitution; restoration of fiscal and monetary discipline; rehabilitation of the country's productive base and economic and social infrastructure; and the encouragement of private investment. The recovery program was followed by a structural adjustment program, in 1987, insisted on by the IMF aimed at maintaining an incentive framework that stimulates growth, encourages savings and investment and strengthens the balance of payments.

Since the beginning of the economic recovery program, the majority of the population has experienced a sharp drop in living standards. The nation has become saddled with debt and with associated heavy debt service burden. Ghanaians continue to debate whether the economic recovery and the structural adjustment programs were blessings or curses. It is easy to see why Ghanaians are so ambivalent. Since the economic recovery program began, the total debt stock has more than doubled (Tables 5a and 5b).

The total debt service increased over the period. The debt service has averaged almost half a billion US dollars since 1987 which is almost one-third of the total debt stock in 1980 before the recovery program began (Table 5a).

TABLE 5a
DEBT STRUCTURE
IN MILLIONS OF US DOLLARS

YEAR	TOTAL DEBT STOCK (EDT)	LONG TERM DEBT	IMF CREDIT	SHORT TERM DEBT
1970	:	521	46	:
1980	1407	1171	105	131
1983	1650	1226	331	93
1984	1941	1184	515	242
1985	2229	1340	701	189
1986	2732	1759	786	187
1987	3271	2285	867	119
1988	3058	2224	762	72
1989	3151	2367	737	47
1990	3498	2703	745	50

Source: World Debt Tables, 1991-1992, vol.2, country tables, Ghana.

TABLE 5b

DEBT FLOWS (IN MILLIONS OF US DOLLARS)

YEAR TOTAL	DISBUR- SEMENTS	PRINCIPAL REPAYMENT	NET FLOW	INTEREST PAYMENT	NET TRANSFER	DEBT
SERV.						
1970	44	39	5	:	:	:
1980	249	106	143	53	90	159
1983	434	88	345	62	283	150
1984	325	70	255	68	187	138
1985	313	74	183	87	96	162
1986	416	119	294	111	183	229
1987	515	299	186	116	70	415
1988	617	422	151	128	24	550
1989	557	339	178	109	69	447
1990	453	247	191	98	93	345

Source: World Debt Tables, 1991-1992, vol.2, country tables, Ghana.

The total debt stock of Ghana was more than 350 per cent of its capacity to export goods and services and more than 50 per cent of gross national product in 1990 (Table 5c). The total debt service has averaged about 50 per cent of its export earnings since 1987 whilst interest burden alone has been, on the average, more than 10 per cent of actual export capacity. The reserves position of 8.8 per cent of total debt stock or 2.3 per cent of import of goods and services, in 1990, was worse than what it was in 1983 of 17.7 per cent and 4.8 per cent respectively.

TABLE 5c

DEBT RATIOS

XGS = EXPORT OF GOODS AND SERVICES
 MGS = IMPORT OF GOODS AND SERVICES
 EDT = TOTAL DEBT STOCK
 TDS = TOTAL DEBT SERVICE
 INT = INTEREST PAYMENT
 RES = RESERVES

YEAR	EDT % XGS	EDT % GNP	TDS % XGS	INT % XGS	INT % GNP	RES % EDT	RES % MGS
1970	:	:	:	:	:	:	0.9
1980	116.0	31.8	13.1	4.4	1.2	23.4	3.1
1983	345.3	41.0	31.4	12.0	1.5	17.7	4.8
1984	314.9	44.6	22.4	11.0	1.6	22.5	6.5
1985	329.6	50.3	23.9	12.9	2.0	24.8	7.0
1986	333.5	49.8	28.0	13.5	2.0	22.8	7.1
1987	360.7	66.3	45.7	12.8	2.4	10.1	3.0
1988	317.0	60.4	57.0	13.2	2.5	10.1	2.7
1989	352.1	61.3	50.0	12.1	2.1	13.8	3.7
1990	353.4	56.8	34.9	9.9	1.6	8.8	2.3

Source: World Debt Tables, 1991-1992, vol.2, country tables, Ghana.

Except in 1980, the import bill exceeded the export capacity before the recovery program (Table 5d). For most of the time, the current account has been negative and the resulting gap had been filled with borrowed money which is reflected as a growth of GNP. But as previously shown, the borrowed money has trapped the nation into heavy debt, the servicing of which taxes, very heavily, the nation's capacity to develop. This analysis of Ghana's economic crisis shows that the bright hopes that served as the prime mover of the struggle for independence have been frustrated.

TABLE 5d

MAJOR ECONOMIC AGGREGATES (IN MILLIONS OF US DOLLARS)

YEAR	GNP	XGS	MGS	RES	CURRENT ACCOUNT BALANCE*
1970	2170	477	543	43	-68
1980	4426	1214	1264	330	29
1983	4021	478	724	291	-174
1984	4353	616	813	437	-39
1985	4429	676	952	552	-134
1986	5587	819	1056	624	-43
1987	4935	907	1328	332	-97
1988	5064	965	1393	310	-66
1989	5145	895	1410	436	-99
1990	6157	990	1628	309	-229

Source: World Debt Tables, 1991-1992, vol.2, country tables, Ghana.

* The current account balance depends not only upon the difference between merchandise exports, XGS, the merchandise exports, MGS, but also upon net service transactions associated with exports and imports of goods (not shown), and private remittances and government grants (not shown).

Some pertinent questions that may be asked are: Why did Ghana with its comparatively varied resource base and enviable agricultural potential get into this economic malady? Is neo-colonial structure with its attendant unfavourable terms of trade the culprit? Certainly, Ghana's economy is neo-colonial being a dependent economy, but the persistence of the neo-colonial structure of its economy and its vulnerability to changes in international prices may be reflections of a deeper political deficiency both of the past and of the present. Has Ghana been thrown into a Malthusian prison of population problematic from which it has become impossible to exercise control or to extricate itself? The rate of population growth in Ghana of about 2.5 per cent per annum is high and may be a factor contributing to the problem, but it is not beyond the capability of a competent government to control. The high rate of population growth may be another reflection of a deeper political problem. Has Ghana been adamant in maintaining an over-valued exchange rate to the detriment of its economy? The history of governments of Ghana shows a reluctance or lack of will to devalue the currency and most governments that attempted to do so

were overthrown. The persistence of an over-valued exchange rate regime might be an outward demonstration of a deep and hidden political problem. Indeed, the lack of will on the part of successive governments of Ghana to introduce dynamic economic policies, act to correct price distortions, or to implement austerity measures in times of crisis may be reduced to an underlying political problem. Is Ghanaian disunity the problem? Yes, and this is substantiated by the political history of Ghana and the central argument of the thesis.

Since independence Ghana has tried three republican constitutions and has been under military rule several times. Eight men have headed the government of Ghana since independence and coup attempts have been numerous. Under such conditions of political instability, both political direction and planning for economic development become difficult and inconsistent resulting in retrogression rather than progress. But why is Ghana so politically unstable? The answer lies in the persistent emulation of unsuitable political cultures by the Ghanaian political elite instead of refining and adapting the more suitable indigenous culture of rule by the consensus of encompassing coalitions. Chapters which follow explain the thesis that it is this deviation from the indigenous political culture which might be responsible for the political instability and, hence, the economic crisis.

It will be argued in principle that colonialism has at least the dimensions of political colonialism, economic colonialism, and cultural colonialism. Decolonisation means freedom from all the dimensions of colonialism. Independence did not mean, necessarily, the same as decolonisation or the attainment of the political pre-requisites for successful development. The decolonization process might be achieved by the political elite after independence by the elimination of all the dimensions of colonialism. The historical experience of Ghana shows that the Ghanaian political elite have failed to decolonise the country politically, culturally and economically by not shaking off alien ideologies, cultures and tastes. The emulation of alien party politics, in particular, has had the effect of dividing the political elite resulting in inefficiency, political instability, discontinuity in government and policy, and the present economic crisis.

STATISTICAL ANALYSIS OF MAJOR VARIABLES

However, the explanation of the politico-cultural basis of Ghana's economic problems demands the identification and analyses of certain observable variables and how they have correlated with gross national product and major sectors of the economy. One of the independent variables selected is the degree of political instability within a period, estimated from the observed major political events indicative of instability and disunity within the political elite. Appendix A is a list of major political events and how they are classified. Each event carries a unit weight except a palace coup which is given a weight of 5 units and a successful coup which is given a weight of 10 units. These weights are justified on the grounds that a successful coup is equivalent at least to 10 units of political violence and a palace coup to about half the value of a coup.

Another variable is the intensity of political disunity which is the degree of political disunity within a period divided by the number of years within that period. This variable was selected to compare the effects of the absolute value of political disunity and the relative intensity of political disunity on the dependent variables. Other independent variables are: the external terms of trade; the exchange rate; and the size of the population. These other variables have been selected based on their general appeal to the explanation of Ghana's economic problems. The average population for the various periods were calculated from the data collected from the various demographic year books of the United Nations since these were supplied by the member nations. The average exchange rate for a period was calculated from data obtained from the International Trade and Statistics Yearbooks. A summary of the values of variables obtained for specified periods is given (Table 6). A list of the average values of the independent variables (Table 6a) and the corresponding values of the dependent variables (Table 6b) is provided.

The statistical method of analysis chosen is multiple regression to determine the relative weights of these variables and their effects on the economy in general and on chosen sectors of the economy in particular. However, it is recognised that multiple regression has its own problems which need to be

reduced to the minimum possible.

One of these problems is multicollinearity in which the independent variables are correlated highly with each other. Since independent variables are supposed to be unrelated, a high correlation among the variables of a multiple regression makes the output unacceptable mathematically. But many of the political, economic and cultural variables to be addressed in this thesis are related to some extent. Indeed, many indicators of political, economic and cultural variables are, in general, related. In the statistical analysis below independent variables correlated with one another higher than 0.4 were not included simultaneously in any multiple regression.

Table 6a

MAJOR POLITICAL EVENTS

PERIOD	DEGREES	INTENSITY	TERM	POPUL	EXCHR
60-70	62	6.2	96	7.74	123.4
70-76	30	5.0	100	9.36	88.4
70-77	34	4.8	98	9.50	88.3
70-78	51	6.4	94	9.61	86.02
70-79	67	7.4	99	9.80	81.06
70-80	76	7.6	97	9.87	77.33
70-81	90	8.2	92	10.00	74.18
70-83	97	8.1	92	10.31	71.48
73-83	78	8.0	88	10.34	62.60
73-84	81	7.4	84	10.39	57.61
80-85	42	7.0	72	11.50	19.30
80-86	47	6.7	73	11.92	16.70
80-87	52	6.5	75	12.00	14.69
80-88	57*	8.1*	77	12.40	13.10

* The table of major political events is up to 1982. However, since 1982, there have been at least 5 events of political unrest per annum reflected through student demonstrations against the government, political repression, changes in political appointments, reaction by professionals against the government and attempted coups. These have been taken into account in the calculations.

Table 6b

AGGREGATE AND DISAGGREGATED GROWTH RATES

GROWTH RATES OF INDICATORS

PERIOD	GDP	AGRIC.	INDUSTRY	MANUF.	DOMESTIC INVEST.
60-70	2.1	3.7	6.7	:	-3.2
70-76	2.0	1.3	4.2	:	-0.3
70-77	0.4	-0.7	0.8	:	-8.6
70-78	0.4	-1.2	-2.9	-6.0	-8.3
70-79	-0.1	-0.2	-1.5	4.4	-7.9
70-80	-0.1	-1.2	-1.2	-2.9	-6.2
70-81	-0.2	0.0	-2.2	-1.0	-1.4
70-82	-0.5	-0.2	-2.4	-1.2	-5.1
73-83	-1.3	0.0	-7.0	-6.2	-8.1
73-84	-0.9	-0.2	-6.9	-6.9	-5.4
80-85	-0.7	-1.3	-5.5	-5.6	-1.6
80-86	-0.7	-0.2	-2.4	-1.9	-0.5
80-87	-1.4	0.0	0.1	1.3	3.2
80-88	-2.1	0.5	1.9	3.1	4.9

Source: World Bank Report, various years.

Note: In both tables 6a and 6b moving averages have been used to spread the effects of shocks or outliers and to smooth out random variations. This is very important since the effect of shocks are not limited only to the years in which they occur.

Before the multiple regressions, the correlations between the independent variables were determined, and only those variables with correlations below 0.4 were entered simultaneously in multiple regression with the dependent variables.

Another problem is the possible presence of outliers or points which are quite distant from the others. These outliers may be identified in a bivariate scatter-plot, but there is no way by which they may be seen in multiple regression. Outliers violate the fundamental assumption that the variables in a

regression be distributed approximately normally. To minimise this problem, the method of moving averages was used to reduce the effect of possible outliers to manageable levels and care was taken to ensure that cases in the regressions did not contain values that were unnecessarily extreme.

Also, it is recognized that statistical theory requires that conclusions be drawn from many cases. When the number of cases, N , is large, then the number of degrees of freedom, $N-1$, used in the determination of variance explained, R^2 , may be approximated to N . Because, in general, political science generalizes from a limited number of cases, the "adjusted R^2 " to correct for this imperfection may be appreciably different from R^2 . By spreading the study over a long period, the problem of insufficient number of cases was reduced to a manageable level (Tables 6a and 6b).

Furthermore, the dependent variables may be affected by a large number of independent variables and the problem arises as to which independent variables are to be included. Selection of independent variables was based upon their relevance and importance. A number of independent variables were tried in various combinations noting significant levels and the effect of each on R^2 . Those that did not boost R^2 substantially as well as those which boosted R^2 without adding any meaning were eliminated.

RESULTS OF THE STATISTICAL ANALYSIS

TEST OF MULTICOLLINEARITY

In the determination of the Pearson correlation coefficient between the selected independent variables, the following results were obtained.

(a)

	TERM	EXCHR	POPUL
DEGREES	.1306	.1443	-.0817

(b)

	EXCHR	POPUL
TERM	.9216	-.8584

(c)

	POPUL
EXCHR	.9857

(d)

	TERM	EXCHR	POPUL
INTENS	-.2700	-.3074	.3595

Using the criterion that correlations of more than 0.4 are unacceptable levels of multicollinearity, DEGREES may be combined separately with TERM, EXCHR, POPUL in a multiple regression but any multiple regression that includes any two of TERM, EXCHR, POPUL is unacceptable. By similar reasoning, INTENS may be combined only with TERM, EXCHR, POPUL separately in any meaningful multiple regression. Below is a summary of the results of the various multiple regressions performed.

GROWTH OF GROSS NATIONAL PRODUCT (GDP)

With the terms of trade (TERM) and degree of political unrest (DEGREES) as the independent variables, the multiple R was 0.80152 giving R^2 of 0.64243, an adjusted R^2 of 0.57742 and an acceptable significance value of 0.0035. This means that as much as 60 percent of the growth of gross national product may be explained by the degree of political unrest and the terms of trade. The equation for the relationship is given by:

$$\text{gdp} = -6.484067 + 0.086742\text{TERM} - 0.022711\text{DEGREES}.$$

The positive coefficient of the terms of trade indicates that, on the average, the terms of trade had the effect of increasing the growth of gross national product since the partial derivative of gross national product with respect to TERM is the positive coefficient. The negative coefficient of the degree of political unrest is an indication that, on the average, the degree of political unrest explains the persistence of the negative growth of the gross national product since the partial derivative of gross national product with respect to DEGREES is the negative coefficient. The Beta coefficients which reflect the influence of the independent variables relative to others, controlling for units of measurements, give a positive value of 0.750540 for the terms of trade with an acceptable significance of 0.0017 and a negative value of -0.395661 for the degree of political unrest with an acceptable significance value of 0.0523. The Beta weights show that although the terms of trade had a greater influence on the growth of the gross domestic product, yet it was the degree of political unrest which, by comparison, was more contributory to the deterioration in the growth of gross domestic product and hence to the economic crisis of Ghana.

When the size of the population and the degree of political unrest were made the independent variables, the multiple R was 0.93322 with an R^2 of 0.87089 and an adjusted R^2 of 0.84742 and an impressively acceptable significance of 0.0000. This means that about 80 percent of the growth rate of gross domestic product may be explained by the population and degree of political unrest variables. The relationship may be explained by:

$$\text{gdp} = 9.777338 - 0.838170\text{POPUL} - 0.021604\text{DEGREES}.$$

Both the size of the population and the degree of political unrest had negative influence on the growth of domestic product and together explain to a large extent the deterioration in the growth of national product and hence the economic crisis. The Beta weights give a value of -0.887984 with an acceptable significance of 0.0000 for the size of the population and a value of -0.376373 with an acceptable significance of 0.005. This gives an impression that the size of the population had a greater influence on the deterioration of gross domestic product than the degree of political unrest. However, the effect of the size of the population

might be analyzed in the broader context of political ineffectiveness. It is the degree of political unrest, arising from lack of unity and consensus, which might have prevented the political elite from acting effectively to control the rate of growth of the population or to mobilize the growing population more effectively or provide appropriate incentives for productive ventures. Thus, the negative influence of the size of the population may be regarded as a reflection of a weakness in the political sphere to be explained later in a historical analysis.

Taking the exchange rate of the cedi and the degree of political unrest as the independent variables, the multiple R was 0.91500 giving an R^2 of 0.83722 and an adjusted R^2 of 0.80763 with an acceptable significance of 0.0000. Thus, the exchange rate and the degree of political unrest together explain about 80 percent of the rate of growth of the gross domestic product. The relationship is given by:

$$gdp = -0.616633 + 0.030365EXCHR - 0.024319DEGREES$$

The relationship implies that, on the average, the exchange rate had the effect of increasing the growth rate of gross domestic product while the degree of political unrest had the effect of decreasing it. This is not to deny that an overvaluation of the cedi might have had the effect of reducing potential exports. However, the over-valuation of the cedi might have encouraged the import of foreign inputs such as fertilizer to boost agricultural output and spare parts and needed capital equipment to stimulate the economy as a whole. The relationship shows that the negative growth of the gross domestic product during the period is explained better by the degree of political unrest than by any over-valuation of the cedi. The Beta weights gave a value of 0.874375 with an acceptable significance of 0.0000 for the exchange rate and a value of -0.423668 with the acceptable significance of 0.0055 for the degree of political unrest. These values confirmed that although the exchange rate had a greater and positive influence on growth of domestic product, the negative influence of political unrest explains more plausibly the poor growth of the gross domestic product.

The question now arises: Is it the absolute degree of political unrest or its intensity, defined as the

degree of political unrest per annum, that affected the gross domestic product more seriously? To answer this question, the degree of political unrest was replaced by the intensity of political unrest and the multiple regression was repeated. The corresponding Beta weights were compared.

With the terms of trade as the other independent variable, the Beta weight increased from -0.395661 for the degree of political unrest to -0.490954 for the intensity of political unrest indicating that the intensity of political unrest had a greater deteriorating effect on the growth of gross domestic product. With population as the other independent variable, the corresponding Beta weight increased from -0.376373 to -0.389162 meaning that the intensity of political unrest had a greater effect. Finally, with the exchange rate as the other independent variable, the corresponding Beta weight increased from -0.423668 to -0.434772. Thus, it is not only that the occurrence of political unrest affected the growth of domestic product adversely, but the frequency with which it occurred aggravated matters. It may be concluded at this stage that it is political unrest and its intensity that is primarily responsible for the economic crisis of Ghana.

But political unrest itself may be the product of a deeper problem - disunity and lack of consensus among the Ghanaian political elite arising from the emulation of alien political culture based upon partisan politics. This deeper problem may have far-reaching effects on government behaviour, especially economic policies, which may be revealed better through historical analysis. Also, concluding at this stage may blur the effect that political unrest, or the disunity and lack of consensus among the Ghanaian political elite had directly and indirectly on the major sectors of the economy in particular. To investigate how political unrest affected the major sectors of the economy, multiple regressions with the performance of the major sectors as dependent variables were carried out. Industry refers to the production primary of goods other than agriculture. Manufacturing refers to the production of finished or semi-finished goods processed from primary or semi-processed inputs.

AGRICULTURE

With the terms of trade and degree of political unrest as the independent variables and the growth of agriculture as the dependent variable, the multiple R was 0.22305 giving an R^2 of 0.04975, an imaginary adjusted R^2 of -0.12302, indicative of unrealistic contribution by the independent variables to the behaviour of the dependent variable, and an unacceptable significance of 0.7553 suggestive of over 75 percent error in rejecting the null hypothesis that the independent variables are not related to the dependent variable. That the terms of trade and the degree of political unrest are not related strongly to the growth of agriculture as a whole makes sense when it is considered that the major part of agricultural production is for subsistence and factors that militate principally against subsistence agriculture are the land tenure system and incentives-related policies which various governments did not have the will-power to change, rather than the effects of the international terms of trade or political unrest.

But lack of will-power to implement land reforms or change policies that militate against subsistence agriculture may be related to the inability on the part of the Ghanaian political elite to forge a broad-based encompassing coalition in accordance with the Ghanaian culture of participatory democracy in which elites representing the major groups of society make decisions that are binding on society by consensus. Thus, the relationship between the dependent and independent variables is given by:

$$\text{agric} = -2.180356 + 0.027534\text{TERM} - 0.003744\text{DEGREES}.$$

The Beta weight for TERM is 0.222672 with an unacceptable significance of 0.4683. The Beta weight for DEGREES is -0.060950 with an unacceptable significance of 0.8409. The Beta weights and their significances confirm the negligible relations between the independent variables and the dependent variable. But, even under this weak relationship, the degree of political unrest tended to decrease the growth of agriculture. However, it may not be interpreted that the terms of trade and the degree of political unrest had no significant effect on the export of cash crops of which cocoa is the major foreign exchange earner.

When the size of the population and the degree of political unrest were made the independent

variables, the multiple R was 0.46879 giving an R^2 of 0.21977 for the sample and an adjusted R^2 of 0.07791 for the population with an unacceptable significance of 0.2554 indicating a weak and unreliable relationship. The independent variables could explain only about 8 percent of the growth of agriculture.

The relationship is given by:

$\text{agric} = 5.203363 - 0.474271\text{POPUL} - .004515\text{DEGREES}$. The Beta weight for POPUL is -0.469560 with an unacceptable significance of 0.1068 and the corresponding Beta weight for DEGREES is -0.73510 with an unacceptable significance of 0.7885. However, even with this weak relationship, the effects of both population and the degree of political unrest was to reduce agricultural growth.

Substitution of the exchange rate and the degree of political unrest as the independent variables showed a weak relationship. The multiple R was 0.42208 giving an R^2 of .17815 for the sample, an adjusted R^2 of 0.02873 for the population, and an unacceptable significance of 0.3399. The independent variables could only explain about 3 percent of the growth in agriculture, but the explanation is weak and unreliable. The relationship is given by

$$\text{agric} = -0.612256 + 0.015805\text{EXCHR} - 0.005723\text{DEGREES}.$$

The Beta weight for EXCHR is 0.425319 with an unacceptable significance of 0.1519. The corresponding Beta weight for DEGREES is -0.093179 with an unacceptable significance of 0.7422.

When the intensity of political unrest was substituted for the degree of political unrest and the multiple regression was repeated for comparison of effects, the results showed similar weak relationships with unacceptable significances. The corresponding Beta weights were of unacceptable significance as well. However, the intensity of political unrest had the tendency of reducing the growth of agriculture and the Beta weights were comparatively greater.

INDUSTRY

The multiple regression was continued with growth in industry as the dependent variable and the terms of trade and the degree of political unrest as the independent variables. The multiple R was 0.56555, the R^2 for the sample was 0.31984, the adjusted R^2 for the population was 0.19618 with an unacceptable significance of 0.1200. It means that the independent variables may weakly explain about 19 percent of the growth in industry. The relationship was given by:

$$\text{indus} = -10.054391 + 0.157677\text{TERM} - 0.443560\text{DEGREES}.$$

The Beta weight for TERM was 0.413533 with an unacceptable significance of 0.1274. The corresponding Beta weight for DEGREES was -0.443560 with an unacceptable significance of 0.1047. However, within this weak relationship to the actual population, the effect of political unrest was to decrease industrial growth.

When POPUL replaced TERM in the multiple regression, the multiple R was 0.57212, the R^2 for the sample was 0.32732 and the adjusted R^2 for the population was 0.20502, but the significance was an unacceptable value of 0.1130 indicating a weak relationship to the actual population that may explain about 20 percent of the growth in industry. The relationship is given by:

$$\text{indus} = 17.227637 - 1.310180\text{POPUL} - 0.080847\text{DEGREES}.$$

Hence, even in this weak relationship, population size and the degree of political unrest each had the effect of reducing industrial growth. The Beta weights for POPUL and DEGREES were almost equal at -0.420670 and -0.426857 respectively and the corresponding significances were unacceptable at 0.1183 and 0.1135.

When the exchange rate replaced the population size in the multiple regression, the multiple R was, 0.58821, the R^2 was 0.34599 for the sample and the adjusted R^2 was 0.22708 with a significance of 0.0968 showing an improvement, but still a weak relationship. The relationship was given by:

$$\text{indus} = 0.0809933 + 0.051036\text{EXCHR} - 0.085941\text{DEGREES}.$$

Thus the degree of political unrest tended to reduce industrial growth, on the average, whilst the exchange rate had the effect of increasing it although it might have the effect of reducing export but these tendencies were weak. The Beta weights for EXCHR and DEGREES were almost the same in magnitude but opposite in sign being 0.445384 and -0.453754 respectively. The significances of the Beta weights also showed some improvements of 0.0981 for EXCHR and 0.0927 for DEGREES but were both unacceptable.

When for comparative purposes, the degree of political unrest was replaced by the intensity of political unrest and the multiple regressions were repeated similar weak and insignificant relationships were obtained.

MANUFACTURING

The multiple regressions did not show any strong and significant relationships between the independent variables and the growth in manufacturing. With the degree of political unrest and the terms of trade as the independent variables, the multiple R was 0.09875, the R^2 for the sample was 0.00975 and the adjusted R^2 for the population had the imaginary value of -0.23781 suggesting an unrealistic relationship between the dependent variable and the combined effect of the independent variables. The associated significance was 0.9616 indicating an error of over 96 percent in rejecting the null hypothesis that there is no relationship between the dependent variable and the combined effect of the independent variables. The very weak relationship may be represented by:

$$\text{manuf} = -4.512404 + 0.045916\text{TERM} - 0.022442\text{DEGREES}$$
 showing that the degree of political unrest, even under this weak relationship, tended to reduce the growth in manufacturing. The Beta weight for TERM was 0.118229 with an unacceptable significance of 0.7986. The corresponding value for DEGREES was -0.107057 with an unacceptable significance of 0.8172.

When POPUL replaced term in the multiple regression, the multiple R was 0.33770, the R^2 for the sample was 0.11404, and the adjusted R^2 for the population was an imaginary value of -0.10745

indicating an unrealistic relationship between the dependent variable and the combined effect of the independent variables. The significance was an unacceptable value of 0.6161. The very weak relationship is given by:

$\text{manuf} = -21.758920 + 1.570414\text{POPUL} + 0.041896\text{DEGREES}$ suggesting that in the very weak relationship both the size of the population and the degree of political unrest had the effect of encouraging growth in manufacturing. The size of the population may have the effect of increasing demand and hence the growth of manufacturing. Also, the degree of political unrest may influence a government to encourage investment in manufacturing to provide more employment opportunities and, in so doing, reduce the political tensions. However, in the case of Ghana, the influence of such factors on the growth in manufacturing is negligible by this analysis. The Beta weight for POPUL was 0.409762 with an unacceptable significance of 0.3422; the corresponding values for DEGREES were 0.199859 and 0.6352 respectively confirming the negligible influence of these variables on the growth in manufacturing.

When the exchange rate replaced POPUL in the multiple regression, the result showed no significant influence or relationship between the independent variables and the dependent variable. The multiple R was 0.21267, the R^2 for the sample was 0.04523 and the adjusted R^2 for the population was of the imaginary value of - 0.19346 suggestive of an unrealistic relationship between the dependent variable and the combined effect of the independent variables. The significance of the relationship was of the unacceptable value of 0.8310. The very weak relationship is given by:

$$\text{manuf} = -2.137021 - 0.03026\text{EXCHR} + 0.02869\text{DEGREES}.$$

The Beta weights for EXCHR and DEGREES were -0.268716 and 0.133898 respectively and their corresponding significances were of the unacceptable values of 0.5602 and 0.7697 confirming the insignificant contribution of the independent variables to the variation of the dependent variable.

For purposes of comparison, the degree of political unrest was replaced by the intensity of political unrest to see if there would be any significant changes in the multiple regressions. The results similarly showed very weak and insignificant relationships.

DOMESTIC INVESTMENT

The multiple regressions with domestic investment as the dependent variable yielded some mixed results. With the terms of trade and the degree of political instability as the independent variables, the multiple R was 0.63462, the R^2 for the sample was 0.402774, and the adjusted R^2 for the population was 0.29414 indicating that the combined effect of the two independent variables may explain about 29 percent of the dependent variable. The significance for this relationship was 0.0587 which is very close to the acceptable value of 0.0500. The relationship was given by:

$$\text{invest} = 20.901247 - 0.253711\text{TERM} - 0.031570\text{DEGREES}$$
 indicating that both independent variables had the effect of reducing the growth of domestic investment. The Beta weight for the TERM was -0.597476 with an acceptable significance of 0.0274. The Beta weight for DEGREES was -0.149670 but the significance was of the unacceptable value of 0.5373. It means that the terms of trade, by comparison, had a greater weight than the degree of political instability in influencing the growth of domestic investment. However, it must be kept in mind that the poor terms of trade might be the product of a preceding political factor which prevented a dynamic change in comparative advantage.

When the terms of trade was replaced by the size of the population, the multiple R was 0.618985, the R^2 for the sample was 0.38422, and the adjusted R^2 for the population was 0.27226. Thus, the combined effect of the independent variables may explain about 27 percent of dependent variable. The significance of the relationship was 0.0695 which is very close to the acceptable value of 0.0500. The relationship is given by:

$$\text{invest} = -21.923969 + 2.007591\text{POPUL} - 0.037203\text{DEGREES}$$

indicating that the degree of political unrest had the effect of reducing the growth of domestic investment while population had the effect of increasing it. The Beta weight for POPUL was 0.578975 with an acceptable significance of 0.0330. The Beta weight for DEGREES was -0.176373 but with an unacceptable significance of 0.4733. Hence, by comparison, the size of the population had a greater influence on the

growth of domestic investment than the degree of political unrest. However, as explained earlier, the effect of population pressure itself might be rooted in the political.

When the exchange rate replaced the size of the population in the multiple regression, the multiple R was 0.63876, the R^2 for the sample was 0.40802, the adjusted R^2 for the population was 0.30039 suggesting that the combined effect of the independent variables may explain about 30 percent of the growth of domestic investment. The significance of the relationship was 0.0559 which is quite close to the acceptable value of 0.0500. The relationship is given by:

$$\text{invest} = 3.173835 - 0.076965\text{EXCHR} - 0.029692\text{DEGREES}$$
 indicating that both the exchange rate and the degree of political unrest had the effect of reducing the rate of domestic investment. The Beta weight for EXCHR was -0.603100 with an acceptable significance of 0.0259. The Beta weight for the degree of political unrest was -0.140764 with an unacceptable significance of 0.5604. Hence, by comparison, the exchange rate had a greater influence on the decline of domestic investment than the degree of political violence. However, as explained earlier, the exchange rate problematic might be explained in a broader context of lack of political will-power.

For the purposes of comparison, the degree of political unrest was replaced by the intensity of political unrest and the multiple regressions were repeated. The results obtained did not show much difference in both relationships and significances.

GROWTH OF SERVICES

The multiple regressions with the growth of the service sector (including the public sector) as the dependent variable showed some significant results. With the terms of trade and the degree of political unrest as the dependent variables, the multiple R was 0.74596, the R^2 for the sample was 0.55645, and the adjusted R^2 for the population was 0.47580 indicating that the combined effect of the terms of trade and the degree of political unrest may explain about 47 percent of the growth of the service sector. The

significance of the relationship was an acceptable value of 0.0114. The relationship was given by:

$$\text{serv} = 14.080414 - 0.074377\text{TERM} - 0.101877\text{DEGREES}$$

indicating that both the terms of trade and the degree of political unrest had the effect of decreasing the growth of the service sector. The Beta weight for the terms of trade was -0.244292 with an unacceptable significance of 0.2531. The Beta weight for the degree of political unrest was -0.673636 with an acceptable significance of 0.0068 indicating that, by comparison, the degree of political unrest had a more significant effect on the growth of the service sector than the terms of trade.

When the size of the population replaced the terms of trade in the multiple regression, the multiple R was 0.77967, the R^2 for the sample was 0.60789 and the R^2 for the population was 0.53659 indicating that the combined effect of the independent variables may explain about 54 percent of the growth of the service sector. The significance of the relationship was of the acceptable value of 0.0058. The relationship was given by:

$$\text{serv} = -1.034110 + 0.828438\text{POPUL} - 0.102234\text{DEGREES}$$

indicating that the size of the population had the effect of increasing the growth of the service sector whilst the degree of political unrest decreased it. The Beta weight for the population was 0.333119 with an unacceptable significance of 0.1066. The Beta weight of the degree of political unrest was -0.676000 with an acceptable significance of 0.0044 indicating that, by comparison, the degree of political unrest had a far greater effect on the growth of the service sector than the size of the population.

When the exchange rate replaced the size of the population in the multiple regression, the multiple R was 0.77616, the R^2 for the sample was 0.60243, and the adjusted R^2 for the population was 0.53014 indicating that the combined effect of the independent variables may explain about 53 percent of the growth of the service sector. The significance of the relationship was an acceptable value of 0.0063. The relationship is given by:

$$\text{serv} = 9.234285 - 0.29910\text{EXCHR} - 0.099576\text{DEGREES}$$

indicating that both the exchange rate and the degree of political unrest had the effect of decreasing the

growth of the service sector. The Beta weight for the exchange rate was -0.326897 with an unacceptable significance of 0.1169. The Beta weight for the degree of political unrest was -0.658419 with an acceptable significance of 0.0057 indicating that the degree of political unrest had a far greater effect than the exchange rate in influencing the growth of the service sector.

Because of the relatively large public sector in the production of goods and services, the consistent negative impact of the degree of political unrest on services suggests an apparent tendency of that variable in reducing the amount of essential public services provided. With the population increasing but public services declining, living conditions might be expected to get worse. Indeed, the historical experience of Ghana confirms a continuous decline in the provision of public services both in quantity and quality with attendant disguised unemployment.

When the intensity of political unrest replaced the degree of political unrest and the multiple regressions were repeated the significances of the relationships were reduced indicating that the cumulative effect of political unrest had a greater impact than the intensity with which it occurred.

THE EXPORT SECTOR

Multiple regressions with the growth of the export sector as the independent variable did not show any significant relationship with the independent variables. With the terms of trade and the degree of political unrest as the independent variables, the multiple R was 0.33565, the R^2 for the sample was 0.11266 and the adjusted R^2 for the population was of the imaginary value of -0.04867. The significance of this relationship was of the unacceptable value of 0.5182. The very weak relationship is represented by:

$$\text{export} = -2.736263 + 0.018384\text{TERM} - 0.051428\text{DEGREES}$$

indicating that the effect of the terms of trade was to increase export but the degree of political unrest tended to decrease it. The Beta weight for the terms of trade was 0.060049 with an unacceptable significance of 0.8378. The Beta weight for the degree of political unrest was -0.338169 with an unacceptable significance of -0.338169.

When the size of the population replaced the terms of trade in the multiple regression, the multiple R was 0.33790, the R^2 for the sample was 0.11418, and the adjusted R^2 for the population was of an imaginary value of -0.04688. The significance of the relationship was of an unacceptable value of 0.5133. The very weak relationship was given by:

$$\text{export} = 0.720502 - 0.178606\text{POPUL} - 0.051199\text{DEGREES}$$

indicating that both the size of the population and the degree of political unrest tended to decrease export growth but their influences were weak. The Beta weight for the size of the population was -0.071420 with an unacceptable significance of 0.8067. The Beta weight for the degree of political unrest was -0.336660 with an unacceptable significance of 0.2622.

When the exchange rate replaced the size of the population in the multiple regression, the multiple R was 0.35139, the R^2 for the sample was 0.12347, and the adjusted R^2 for the population was an imaginary value of -0.03590 suggesting negligible explanatory power of the combined effect of the

independent variables. The significance of the relationship was of the unacceptable value of 0.4844. The very weak relationship may be represented by:

$$\text{export} = -1.717315 + 0.01141\text{EXCHR} - 0.052890\text{DEGREES}$$

indicating that the degree of political unrest tended to decrease export whilst the exchange rate tended to increase it but these influences were very weak and unreliable. The Beta weight for the exchange rate was 0.121089 with an unacceptable significance of 0.6794. The Beta weight for the degree of political unrest was -0.052890 with an unacceptable significance of 0.2483.

When the intensity of political unrest replaced the degree of political unrest and the multiple regressions were repeated, the results showed no marked improvement in explanatory power or in significance.

IMPORT GROWTH

The multiple regressions with the growth rate of import as the dependent variable, showed stronger explanatory power of the independent variables. With the terms of trade and the degree of political unrest as the independent variables, the multiple R was 0.80282, the R^2 for the sample was 0.64453, and the adjusted R^2 for the population was 0.57898 indicating that the combined effect of the independent variables may explain about 58 percent of the growth of import. The significance of the relationship was of the very acceptable value of 0.0034. The relationship may be represented by:

$$\text{import} = -16.712852 + 0.224707\text{TERM} - 0.099749\text{DEGREES}$$

indicating that the terms of trade had the effect of increasing imports whilst the degree of political unrest tended to decrease it. Of course, foreign firms may be discouraged from establishing letters of credit with a country in which there is a high degree of political unrest. Resulting shortage of capital equipment or foreign inputs may then affect economic growth. The Beta weight for the terms of trade was 0.641707 with an acceptable significance of 0.0046. The Beta weight for the degree of political unrest was 0.573464

with an acceptable significance of 0.0090.

When the size of the population replaced the terms of trade in the multiple regression, the multiple R was 0.65298, the R^2 for the sample was 0.42639, and the R^2 for the population was 0.32210 indicating that the combined effect of the independent variables may explain about 32 percent of the growth of import. The significance of the relationship was of an acceptable value of 0.0470. The relationship may be represented by:

$$\text{import} = 15.480364 - 1.240549\text{POPUL} - 0.091861\text{DEGREES}$$

indicating that both population size and the degree of political unrest had the effect of decreasing import. The Beta weight for the size of the population was -0.433713 with a significance of 0.0851 which is quite close to the acceptable value of 0.0500. The Beta weight for the degree of political unrest was -0.528117 with an acceptable significance of 0.0418 indicating that the influence of the degree of political unrest on the growth of import was more significant than the influence of the size of the population.

When the exchange rate replaced the size of the population in the multiple regression, the multiple R was 0.71984, the R^2 for the sample was 0.51745, and the adjusted R^2 for the population was 0.42972 indicating that the combined effect of the independent variables may explain about 43 percent of the growth of import. The significance of the relationship was an acceptable value of 0.0182. The relationship may be represented by:

$$\text{import} = -0.433205 + 0.056041\text{EXCHR} - 0.566420\text{DEGREES}$$

indicating that the effect of the exchange rate was to increase import whilst the degree of political unrest had the tendency to decrease import since foreign exporters were unwilling to export to a country of high risk. The Beta weight for the exchange rate was 0.532528 with an acceptable significance of 0.0287. The Beta weight for the degree of political unrest was - 0.566420 with an acceptable significance of 0.0216 indicating that the degree of political unrest had a greater leverage on the growth of import.

When the intensity of political unrest replaced the degree of political unrest and the multiple regressions were repeated, similar significant relationships were obtained suggesting that both the

cumulative effect of political unrest and the intensity of it were equally important in influencing import growth.

THE HIDDEN CONTROL FACTOR

The statistical analysis leads to the conclusion that the independent variables are themselves influenced by some fundamental factor that may be responsible for Ghana's economic crisis. At the aggregated level of gross domestic product, the independent variables of the regressions had strong and significant relationships with the dependent variable. The Beta weights of the individual independent variables of the regressions also showed significant contributions. The degree of political unrest and the intensity of political unrest both showed significant negative impact on the growth of gross domestic product indicating that cumulative political unrest and the intensity of political unrest were both important factors. But, at the disaggregated sectoral level, the picture was quite different. Except for the service sector and the import sector, the combination of independent variables did not reveal strong and significant relationships.

In the agricultural, industrial, manufacturing, and export sectors, none of the combination of independent variables showed any strong or significant relationship. Also, the corresponding Beta weights were not significant. In the investment sector, the combinations of independent variables did not yield any significant relationship, but the Beta weights of the terms of trade, population size, and exchange rate were significant when compared to the degree of political unrest or the intensity of political unrest.

The discrepancy between the relationships at the aggregated level of gross domestic product, which reflects the performance of the economy as a whole, and the disaggregated sectoral level indicates that there is some fundamental control factor that is related to the independent variables and the dependent variables. This control factor may be a variable or a constant and may exist prior to the independent variables, occur after the independent variables, or exist both prior to and after the independent variables. In other words,

the fundamental factor may behave both as an explanation control factor and as an intervening control factor. Such a situation is plausible since the fundamental factor may affect the independent variables initially, but the independent variables, in turn, may influence it. The central characteristics of such a fundamental factor are that it is hidden and produces effects on the independent variables in such a manner as to make it appear that it is the independent variables that are producing the effect. Because of the behaviour of this factor, it is fitting to call it "causativus latens" from the Latin words "causativus" (producing an effect) and "latens" (hidden) and for short the "causlatenser" (the real but hidden producer of an effect). When this factor is economic it might be identified as an economic causlatenser and when it is political it might be identified as a political causlatenser. When a human being hides behind the scenes to produce an effect or effects in such a manner as to make it appear that it is others who are responsible, then the word causlatenser might be used to refer to that person. To causlatense is to behave as a causlatenser. Therefore, the words "causativus latens", "causlatenser" and "fundamental factor" may have the same meaning. The next step is to identify this fundamental factor or causlatenser operating in the Ghanaian environment.

The statistical analysis provides some clues for the identification and definition of the causativus latens or causlatenser. It is noted that at the disaggregated level, the independent variables did not show any significant relationships with the agricultural, industrial, manufacturing, and export sectors. But the economy of Ghana is mainly agricultural and heavily dependent on the export of cocoa. Also, Ghana has been engaged in the export of mining products and attempted to diversify its economy through manufacturing. The economic crisis, therefore, shows that, the fundamental factor might have prevented the Ghanaian elites from adopting and sustaining coherent policies in the agricultural, industrial, manufacturing, and export sectors and to use the gains from trade to dynamically better the comparative advantage of the nation.

But a major factor which motivated the Ghanaian elites to fight for independence was the country's endowment and potential in human and material resources. Therefore, the causlatenser or fundamental

factor might have prevented competent elites from assuming the reins of government or, if they assumed the reins of government at all, might have prevented them from planning and implementing effective or nationalist economic policies. In the agricultural sector, for example, the elites might have been prevented from initiating or implementing appropriate land reforms and to provide the necessary incentives to stimulate the economy.

The effect of the independent variables on the dependent variables on the agricultural, industrial, manufacturing and export sectors provide additional clues. It is noted that the independent variables of population size and foreign exchange did not have significant Beta weights. It is a reflection of the inability of the elites to adopt appropriate policies or provide the necessary incentives to mobilise the growing population for more productive work due to the fundamental factor. They might have been prevented from implementing the appropriate and effective pricing policies, including money pricing or foreign exchange policies, to ensure efficient allocation of resources and to encourage exports. Indeed, the historical analysis of subsequent chapters will show how governments became unpopular and were overthrown when attempts were made at introducing pricing policies appropriate to the improvement of the economy.

The statistical analysis shows that the degree of political unrest or the intensity of it did not appear to have significant effect at the disaggregated levels suggesting that it was not the political unrest per se that was crucial but a more fundamental factor. Indeed, the discrepancy between the significant and negative effects of the degree of political unrest or its intensity at the aggregated level of gross domestic product and their insignificant effects at the less aggregated levels confirmed that a more fundamental factor or causatenser acting through political unrest and other related channels is responsible for the economic crisis.

The economic crisis itself and the vulnerable mono-crop character of the economy testify that some fundamental factor or causatenser prevented the elites from using the healthy Ghanaian reserves of the pre-independence era, and subsequent gains from trade, to build a sound and diversified economy based upon a planzed dynamic comparative advantage and improvement of the terms of trade. It may be explained

in part four and five, the historical analysis chapters, how during the tactical action phase of the struggle for independence and subsequently, Ghana's reserves became depleted and surpluses were siphoned overseas resulting in economic stagnation as elites struggled for political power through alien party politics.

Considering the statistical facts above, the fundamental factor or *causlatenser*, most likely to have affected the performance of the Ghanaian elites adversely, might have been their inability to build a united and strong encompassing political coalition compatible with Ghana's consensual culture and capable of defining and sustaining nationalist economic policies while enjoying the effective support of major sections of Ghanaian society. In other words, the *causativus latens* operating in the Ghanaian environment is a politico-cultural *causlatenser*. In the absence of party politics and foreign ideologies, Ghanaian elites acting through their own consensual organizations such as the Aborigines Rights Protection Society (ARPS) were able to pursue nationalist interests even under colonial rule. But given the authority of internal self-government and independence, the result has been retrogressive culminating in political and economic crisis in which the political crisis preceded the economic. How may this disappointing situation be explained?

Before attempting a historical explanation of how the disappointing situation came to be, it may be appropriate to analyze how Ghanaians have perceived the various governments that have ruled them and how closely their perceptions agree with the statistical analysis given above. Perception of a factor being responsible for some undesirable effect may convince a people to amend its ways to reduce that factor to the minimum. However, if the undesirable effect is perceived, by mistake, to be due to other factors, then, that factor may persist.

The statistical analysis below explains the perceptions of Ghanaians. The evidence shows that Ghanaians perceive the various regime as not conforming adequately with the indigenous consensual system. Also, it is perceived that the more closely the characteristics of a government approached that of the indigenous system, the more stable it became. In addition, Ghanaians perceive a significant relationship between the economic effectiveness of a government and the degree of conformity with the indigenous culture as well as the degree of political stability, but perceive the strengths of associations to be weak.

By perceiving the strengths of associations to be weak, Ghanaians are more apt to repeat the same mistake of emulating foreign political cultures in preference to their own. It is no wonder, therefore, that Ghanaians rejected the idea of Union Government proposed by General Acheampong in the 1970s and chose in 1992 to return to the party system of government.

The statistical analysis of the perceptions of Ghanaians demanded the design of a survey instrument to elicit the necessary information. The survey instrument is as shown in Appendix B. The instrument was pretested on Ghanaian elites living in Canada. Because of the requirement for external validity, care was taken to ensure that the background of the pretest group was similar to the background of the targeted elites in Ghana. An average Cronbach alpha of 0.75 obtained from selected and computed variables from the pre-test sample size of 37 was considered an acceptable indication of a reliable and valid instrument.

The cosmopolitan environment of Accra, where there is a fair microcosmic representation of elites of all ethnic groups, was considered most conducive to the research. For security reasons, a probabilistic listing of elites to obtain a sampling frame was considered dangerous and unwise. A quota sampling strategy was adopted. Hence, the sample might not be regarded as a perfect probability sample but a close enough approximation. It was reasonably assumed that the elites might be located in government offices, offices of private enterprises, and in local communities. Hence, a set of 100 of the questionnaire was distributed randomly in each of these areas. Out of a total of 300 questionnaire sent to Ghana, 289 were received (equivalent of 96% response rate).

Some variables considered as relating to conformity with the indigenous political culture were selected and reliability tests were performed to eliminate the least correlated until a set of 11 variables gave a Cronbach's Alpha of 0.8272. Considering that a Cronbach's Alpha of about 0.5000 is an acceptable measure of reliability, the value of 0.8272 is very acceptable. A Likert scale variable of 'conform' (conformity) was obtained from these variables weighted equally. The set of 11 variables found reliable for the computation of 'conform' were:

'milsize'(the size of the military);
'bursize'(the size of the bureaucracy);
'polcons'(degree of consensualism);
'ethrep' (representation of ethnic groups);
'profrep'(representation of professional and interest groups);
'openness'(tolerance of freedom of expression');
'crimrate'(level of crime);
'decengov' (degree of centralization of government);
'govmart' (government preference in the market');
'repress' (level of political repression);
'strike' (level of labour strikes).

As discussed previously, certain levels of these variables are essential characteristics of the indigenous consensual system.

In similar fashion, Likert scale variables 'polistab' (political stability) and 'econeff' (economic effectiveness) were obtained from 14 and 5 variables respectively.

The 14 variables found reliable for the computation of 'polistab' were:

'govchan' (mode of change of government);
'potfreq' (frequency of change of ministerial portfolios);
'populdec' (decline in government popularity);
'prolpart' (proliferation of parties in opposition);
'violev' (level of political violence);
'poldis' (level of political dismissals);
'apathy' (apathy towards government);
'chanpol' (major changes in policy after change of government);
'tribpol' (level of tribal politics);

'couptem' (level of coup attempts);
'intelop' (level of intellectual opposition);
'govqual' (level of qualification of government leaders);
'govexp' (level of experience of government leaders);
'conspol' (consistency in own policies).

The Cronbach's Alpha for these 14 variables was 0.8142 indicating a high degree of correlation and reliability. The 5 variables found reliable for the computation of 'econeff' were:

'econt' (exercise of economic control);
'landref' (ability to implement land reforms);
'feconred' (reduction of foreign economic domination);
'aprotech' (appropriateness of imported technology);
'selfrel' (ability to introduce self-reliance policies).

The Cronbach's Alpha obtained for the set of 5 variables was 0.6214, an acceptable value.

In general, the questionnaire was designed to give values ranging from 1 to 4 for each variable with the maximum value of 4 of each variable corresponding to the desired level of the indigenous situation. Where this was not the case, the respective variable was recoded to synchronize its order of values with the required order. The procedure gave maximum attainable values of 44 for 'conform', 56 for 'polistab' and 20 for 'econeff'. From these scale variables, indices of conformity, 'confpert' = $100(\text{conform}/44)$, political stability, 'polspert' = $100(\text{polistab}/56)$ and economic effectiveness, 'econpert' = $100(\text{econeff}/20)$ were obtained.

Assuming conform, polistab and econeff as close enough to interval variables, analyses of variance were performed using the 'breakdown tables' command (employing SPSS on Unix) between them and the variable 'govt'(government) and also, among them. The variables conform, polistab and econeff were converted into three dimensional ordinal variables:

'cr'(conformity range),

'pr' (stability range), and

'er'(economic effectiveness range)

and the 'crosstabs tables' command was invoked to ascertain relationships at the ordinal level. The relationships at the ordinal level agreed closely with those obtained at the interval level showing that linearity in relations did not affect the order of the strength and significance of relationships appreciably.

The following is a summary of the results of the statistical analyses of the perceptions of Ghanaians. The analysis of variance of 'conform' by levels of government provided a mean value of 24.1869 with a standard deviation of 6.1531 out of 289 cases for the entire sample. The value of conform corresponding to the indigenous system is 44. The analysis of variance of 'confpert' (the index of conformity) by levels of government provided for the entire population a value of 54.9701 with a standard deviation of 13.4893. The corresponding value for the indigenous system is 100.

The low values compared to the indigenous situation indicate that Ghanaians perceive the regimes that have governed them have deviated substantially from conformity with the indigenous system. At the more disaggregated level, the military regimes which replaced the civilian regimes are perceived as less conformable to the indigenous. Among the military regimes, the least conformable is perceived as the Provisional National Defence Council (PNDC) headed by Rawlings. Eta, a coefficient measuring the strength of relationship between the nominal variable 'govt'(government) and the interval variable 'conform' was 0.8301 indicating a perceived strong relationship. The value of Eta squared representing the proportion of the total variation of the interval variable 'conform' explained by the nominal variable 'govt' is 0.6891 or 68.9 percent indicating a strong explanatory power of the variable 'govt'. The various regimes are perceived to have deliberately chosen not to conform to the indigenous culture.

The analysis of variance of the variable 'polistab' (political stability) by levels of government provided a mean value of 33.9779 with a standard deviation of 7.3358. The value corresponding to the indigenous situation is 56. The analysis of variance for the political stability index 'polspert' provided a mean value of 60.6747 with a standard deviation of 13.0997 for the entire population. The corresponding

value for the indigenous situation is 100. The comparatively low values indicate that Ghanaians perceive the various governments to be very unstable compared to what might be expected under the indigenous consensual system. It is a confirmation of the hypothesis that none of the regimes attained the political preconditions necessary for successful development.

At the less aggregated level, the military regimes were perceived as less stable than the civilian governments they replaced. Ghanaians were more hostile to military rule than civilian rule. It is interesting to note that, the PNDC regime of Rawlings, whose duration in power has been the longest, is perceived as the most unstable. It confirms the premise that duration in power is not a sufficient measure of political stability but the totality of the nature of political events. Eta, the coefficient measuring the strength of the relationship between the nominal variable 'govt' and the interval variable 'polistab' is 0.8406 indicating a strong relationship. Eta squared, representing the proportion of the total variation of 'polistab' explained by the nominal variable 'govt' is 0.7066 indicating a strong explanatory power of 'govt'. Although the various regimes are not perceived to be stable compared to what might have been under the indigenous situation, they are perceived to be appreciably different in the level of political stability attained.

The analysis of variance for the variable 'econeff' (economic effectiveness) by levels of 'govt' provided a mean value of 12.8806 with a standard deviation of 2.8166 for the entire population. The value for the indigenous situation is 20. The analysis of variance for the economic effectiveness index 'econpert' provided a mean value of 64.4030 with a standard deviation of 14.0830 for the entire population. The corresponding value for the indigenous case is 100. The relatively low values indicate a perception by Ghanaians that the various regimes were not as effective in handling the economy as might have been under the indigenous consensual system. Eta, the coefficient indicating the strength of relationship between the nominal variable 'govt' and the interval variable 'econeff' is 0.6162 indicative of a perception of a moderate relationship. Eta squared, representing the proportion of 'econeff' explained by 'govt' is 0.3796 indicating a moderate explanatory power.

The 'breakdown tables' command was used to perform an analysis of variance of polistab by levels of conform. The advantage of the breakdown command is that it tests the linearity assumption of the correlation technique as well as providing the value of the correlation coefficient which measures the strength of the relationship between the two interval variables. The working hypothesis is that there is deviation from linearity in the relationship between the two variables. The null hypothesis is that there is no deviation from linearity. The significance of 0.0275 obtained means that the null hypothesis of no deviation from linearity may be rejected within an error of only 2.75 percent.

The rejection of the null hypothesis means that there is sufficient evidence against the linearity assumption. Hence the correlation technique is inappropriate in the study of the relationship between conformity with the indigenous culture and political stability. However, the high value of the correlation coefficient (0.800) suggests a strong relationship although non-curvilinear in character.

To determine the significance and strength of the relationship between the two more appropriately, the two variables were converted to three-level ordinal variables of 'cr' (conformity range) and 'pr' (political stability range) and the 'crosstabs tables' command requesting all statistics, was used. The Pearson chi square provided a significance of 0.0000 rejecting the null hypothesis of no relationship. The ordinal measures of association, Kendall's tau-b, Kendall tau-c, Gamma, Somer's d were 0.66032, 0.61785, 0.88148, and 0.65998 respectively all indicative of a strong relationship. For ordinal survey data with response arranged from low to high or from high to low, Gamma is a reliable proportional reduction in error measure. Hence, Ghanaians perceive a strong positive relationship between the degree of conformity with the indigenous political culture and political stability.

Thus, Ghanaians perceive that the root cause of political instability might be the deviation from the indigenous political culture. But do Ghanaians perceive the economic crises to be strongly associated with political instability?

To answer this question, the 'breakdown tables' command was used to perform an analysis of variance of 'econeff' (economic effectiveness) by levels of 'polistab' (political stability). The significance

of deviation from linearity was 0.6277 making the rejection of the null hypothesis of no deviation from linearity to introduce an unacceptable error of about 63 percent. Since the null hypothesis cannot be rejected, it means there is no sufficient evidence against the assumption of linearity. The correlation technique is appropriate in the analysis of the relationship between the two interval variables.

The value of the correlation coefficient, R , which measures the strength of the relationship, was 0.1754 indicating a weak relationship. The significance of R is 0.0052. Hence, the null hypothesis of no relationship may be rejected within an error of only 0.5 percent. The value of R squared, which represents the proportion of economic effectiveness explained by political stability is 0.0308 or 3 percent indicating a perceived weak explanatory power. When the two variables were converted to three-level ordinal variables of 'er' and 'pr' respectively and the 'crosstabs tables' command was used, the Pearson Chi-square significance was 0.05421 rejecting the null hypothesis of chance variation. The ordinal measures of association were: Kendall's Tau-b, 0.16155; Kendall's Tau-c, 0.14722; Gamma, 0.26296; Somer's d , 0.16155. All these values indicate a perceived weak relationship. This confirmed the weak relationship at the interval level of analysis. Ghanaians fail to perceive a strong relationship between political instability and economic effectiveness. But do they perceive a strong relationship between conformity with the indigenous political culture and economic effectiveness?

Analysis of variance of economic effectiveness by levels of conformity showed a perceived weak relationship. The significance of deviation from linearity is 0.2921 suggesting an error of over 29 percent in rejecting the null hypothesis of no deviation from linearity. Hence, there is insufficient evidence against the assumption of linearity in the relationship of the two interval variables. Thus, the correlation technique is applicable. The value of the correlation coefficient, R , which measures the strength of the relationship is 0.1212, indicating a weak relationship. The significance of R is 0.0498 indicating that the null hypothesis of no relationship may be rejected within an error of only 4.98 percent. The value of R squared representing the proportion of economic effectiveness explained by conformity with the indigenous is 0.0147 indicating a perceived weak explanatory power.

When the two variables were converted to three level ordinal variables and the 'crosstabs tables' command was used, the significance of the Pearson Chi-square was 0.02918 rejecting the null hypothesis of chance or no relationship within an error of only 2.8 percent. The ordinal measures of the strength of association were: Kendall's Tau-b, 0.14176; Kendalls Tau-b, 0.13309; Gamma, 0.22379; Somer's D, 0.14170. These values confirm the perceived weak relationship at the interval level of measurement. Ghanaians perceive a weak relationship between conformity with the indigenous political culture and economic effectiveness.

Thus, Ghanaians perceive a strong positive relationship between conformity with the indigenous political culture and political stability. It is perceived that deviation from the indigenous political culture might be the major cause of political instability but neither of the two is perceived to have a strong relationship with economic effectiveness. Hence, Ghanaians are more apt to blame the economic crisis on factors other than deviation from their own political culture or the resulting political instability. In other words, Ghanaians make the mistake of assuming that successful economic development is possible within an environment of political instability. The political preconditions for successful development are taken lightly. With little regard for internal political agency, Ghanaians might blame the economic crises mainly on international economic and political structures, unexpected events in the international markets such as the oil pricing and monetary shocks, and natural disasters. It is undeniable that international economic and political structures and associated forces, unexpected events in international markets, and natural disasters have their own impacts, but as explained in the earlier statistical analysis, they are not determining.

However, the erroneous perception of Ghanaians about the relationships between conformity with the indigenous political culture and political stability on one hand, and economic effectiveness on the other, is a pointer to both why and how the economic crisis came about. If Ghanaians had diagnosed or forecast that the primary cause of an economic ailment might be political instability arising from elite disunity and cultural misfit, the necessary corrective action might have been taken to avoid the situation. With an erroneous diagnosis, the economic crisis became more probable. In particular, a structuralist interpretation

of the economic might actually perpetuate the crisis since governments in power are likely to feel absolved from blame claiming that nothing can be done about a structurally determined situation.

On the other hand, in the recognition of political agency, structures are seen as constraining but not determining and elites are more apt to act to change the situation and to be held accountable for their actions. By failing to create the conditions compatible with political agency in their own cultural environment, the Ghanaian political elite paved the way for the economic crisis.

The historical analysis of the following chapter explains how the Ghanaian political elites allowed themselves to be divided through alien party politics and ideological practices and thereby failed to build an effective coalition. In the ensuing political and ideological struggles, political power went into the hands of incompetent elites at the beginning who compromised the economic interests of the nation for their selfish political ends and laid the foundation of the present economic crisis.

Also, through alien party politics, political power and decision-making were concentrated in the hands of the few party members. As a consequence, the political bases of the ruling coalitions were narrower, by far, than what might have been expected under the indigenous consensual system. Because the major groups of society were neither consulted nor participated in decisions that affected them after the national elections, they did not consider those decisions binding so long as these were not in their short term interests. There was tension between the consensual behaviour that Ghanaians expected of a government and how governments behaved actually under the party system of government. Also, the ballot box system had the effect of excluding ethnic groups that did not support the winning party from participation in government giving a feeling of alienation and mistrust. As explained in chapter five, a case in point was when the Ewes became alienated from the ruling Progress Party government headed by Dr. Busia. The Ewes they voted for the National Alliance of Liberals headed by an Ewe, Mr K.A Gbedemah. Ewe members of Parliament occupied only some of the seats of the opposition. Because no nominee of the Progress Party was elected from the Ewe areas, no Ewe could be given any ministerial portfolio. In this way, a whole tribe was excluded from participation in the ruling government. Thus, various political

coalitions failed to enjoy the kind of pervasive support necessary for policies aimed at the long term economic interests of the nation.

In addition, the historical analysis of parts four and five which follow explains that the culture of party politics was not understood well by both elites and the masses. The supporter or member of a different party was considered an enemy whose ideas were to be rejected at all times. Such mentality rendered the formation of an encompassing coalition based on consensus very difficult to achieve.

The narrow base of the ruling political elite coupled with the fear of adverse political repercussions might have discouraged the pursuit and implementation of policies in the long term economic interests of the nation and compelled elites to accept detrimental compromises resulting in the present economic crisis.

SUMMARY

In summary, the earlier statistical analysis points to a fundamental factor that prevented the Ghanaian political elite from establishing the necessary pre-conditions for successful economic development. Also, it provided some of the clues for identifying and defining this fundamental factor. Considering the statistical facts and the available clues, the factor most likely to have been responsible for the economic crises was identified to be of a political and cultural nature, a politico-cultural *causlatenser*.

It was defined as the inability of the Ghanaian political elites to build a strong, united and encompassing political coalition in conformity with the consensual political culture of Ghana. The latter statistical analysis of the perception of Ghanaians showed that Ghanaians recognise a strong relationship between deviation from the indigenous political culture and political instability, but make the mistake of underestimating the effect of political instability on the economy. As a consequence, Ghanaians are more apt to blame the state of the economy on external political and economic forces and natural factors and, thereby, leave the primary problems unsolved. As explained previously, *causativus latens* produces an effect from behind the scenes in such a manner as to make it appear that it is other factors that are responsible for the effect. Therefore, it is not surprising that the politico-cultural *causlatenser* is hidden from the perceptions of the Ghanaian elite and make it appear to them that external political and economic forces and natural factors are responsible for the economic crisis.

From the evidence of the two statistical analyses, the *causlatenser* behaves like a political virus that may attach itself to socio-political and socio-economic objects, and subjects. When it attaches itself to subjects, it distorts and shifts their perceptions from the real cause on to other factors. When it attaches itself to objects, it makes those objects appear to be the cause whereas they are not. Statistical analysis might be considered to act as a very effective and indispensable political virus detector.

The historical analysis of parts four and five explain, in detail, how this *causativus latens* or political *causlatenser* - the misfit between the Ghanaian political elite and the foreign political cultures and

ideologies emulated in the Ghanaian environment - undermined the attainment of the necessary political conditions for successful economic development culminating in the present economic crisis.

However, before the historical analysis of parts four and five, part three which follows immediately, will discuss the relevance of elite analysis in the Ghanaian political arena and explain the indigenous political culture using the Ga State as a typical example. The main objective is to illustrate how the indigenous consensual culture might be modified to suit the requirements of a modern government within the Ghanaian political environment.

PART THREE

CHAPTER THREE

RELEVANCE OF ELITE ANALYSIS

In the preceding chapter, statistical techniques were used to analyze the performance of the Ghanaian economy and the politico-economic perceptions of Ghanaians within the period under study. Clues drawn from the statistical analysis pointed to a hidden fundamental factor of a politico-cultural nature that was responsible for the economic crises. The concepts "causativus latens" and "causlatenser" were coined to refer to this hidden factor. To "causlatense" is to behave as a causlatenser. The misfit between the Ghanaian elites and the foreign political cultures they emulated blindly was referred to as an example of a causlatenser which because of its character, the Ghanaian elites were not able to perceive as the root cause of the economic crisis. In this chapter, the relevance of the elite analysis approach to the Ghanaian environment is discussed. The variation of the modes of domination of elites to satisfy different needs within different cultures will be explained. It is be argued that, in accordance with contingency theory, there is no best democratic mode of domination of elites; what matters is the fit between the political agents or elites and the environment in which they operate. The different modes of elite domination in the western democracies are cited to substantiate this argument. Also, it is explained that the blind emulation of a mode of elite domination might introduce a political causlatenser with disastrous consequences.

The classical political theorists Vilfredo Pareto, Gaetano Mosca, and Robert Michels explained in various ways that societies are ruled by organised minorities, called elites, who play the part of key actors in shaping the structures and character of their societies. In recent times, others, such as C .W Mills and John Porter have argued along similar lines. Brief summaries and comments on their explanations are given below to throw light on the elite analysis approach which is the frame-work of this

thesis.¹

Pareto argued that human behaviour is governed by biological residues which determine their interests, abilities, aptitudes and capacities. Because of unequal distribution of these residues, human beings are physically, morally and intellectually different. It is possible to divide society into two broad categories of those who excel in whatever they do on the one hand (the elite) and those who are average on the other. However, there are divisions within and among the elite. There is an elite class, the governing elite, which plays a significant role in political life and in government and, the rest, the non-governing elite, who play no significant role in politics or in government.

The typology of government depends upon the manner in which the elites in power choose to govern but there are two basic types of government. One type relies mainly on physical force and religion or similar ideology. The other type relies mainly on intelligence and cunning practices. In practice these basic types may be mixed.

However, elites in power are not self-perpetuating. Within the governing elite there may be elites who prefer the status quo and the counter-elite who seek a drastic change to the status quo. The most serious mistake that a ruling elite may make is to fail to provide for circulation in which those with

¹Unless stated otherwise, reference is made to the following sources:

(1)Murray Knuttila, State Theories: From Liberalism to the Challenge of Feminism, 1987, Garamond Press, pp 50-63.

(2)Eva Etzioni-Halevy, Bureaucracy and Democracy: A Political Dilemma, paperback 1985, Routledge and Kegan Paul, pp 14-23.

(3)M.E Olson, Power in Societies, selections by Pareto, Mosca, Michels and Olsen on elite theory, 1970, Collier-Macmillan Ltd., London.

(4)C.W Mills, The Power Elite, 1956, Oxford University Press, New York.

(5)J.Porter, The Vertical Mosaic, 1965, University of Toronto Press.

(6)J.H Bill and R.L Hardgreave, Comparative Politics, the Quest for Theory, 1973, Merrill Publishing, Ohio.

(7)R.D Putman, The Comparative Study of Political Elites, 1976, Prentice-Hall, New Jersey.

superior residues move up in its ranks and those with inferior residues move out - a process which renovates the governing class in number and in quality. Revolutions occur when the circulation of elites slows down or when the upper strata of the governing elite accumulate decadent elements who no longer possess the appropriate residues for the maintenance of power whilst the counter-elites are enriched by those with the appropriate residues moving into their ranks.

While Pareto's ideas of a minority class of elites ruling a mass majority and the notion and implication of circulation of elites may be convincing, the biological explanation he gives for the emergence of the two classes suggests that leaders are born and may not be trained to be so contrary to historical experience.

Another political theorist, Mosca, explained the emergence of the elite in society differently. In his book, The Ruling Class, written in 1895, Mosca agrees in principle with Pareto that two classes of people appear in society - a class that rules and a class that is ruled. To Mosca, the two classes emerge out of the struggle for preeminence concerning wealth, status, authority, and control over the means of directing human activities or wills in which the winners become the ruling class and the losers, those that are ruled. He argues that, contrary to the basic democratic theory that majorities rule minorities, in practice, it is minorities that rule majorities in all societies. Because the ruling classes are minorities, they have the ability to organize themselves while the ruled masses remain unorganised. This state of affairs makes the domination of an organised minority over an unorganised majority inevitable in human societies.

But the ruling classes do not govern simply by brute force. They legitimise their rule by political formulae which are accepted by the ruled. When the ruling classes are successful in imposing their political formulae, manage society and render appreciable service to it, and are open to talented people from the ruled, a continuous rejuvenation of the ruling class takes place resulting in gradual change and progress, otherwise, revolutions are likely. In this way, Mosca agrees with Pareto on the importance of circulation of elites. Hence, the character and structure of the ruling class determines the political regime and the rate of change and progress. But there may be contentions, competition and struggles among the

ruling classes resulting in the replacement of one ruling class by the other. When a ruling class is deposed, another minority ruling class takes its place. Indeed, history is characterised by struggles between ruling classes and their contenders.

Also, Mosca argues that in an elected representative government, the candidates who have any chance of succeeding are those who are supported by organized minorities. Because organized minorities impose their will on the disorganised majority, the notions of the sovereignty of the people, government by the consent of the governed and majority rule sanctioned by democratic theory are all illusions. In addition, the ability of elected representatives to govern well may be distorted by their own egotism especially by their interest in seeking their re-election and the interests of their party. Elected representatives may be tempted to concentrate power in their own hands resulting in tyranny.

But the elected representative system has certain advantages. Political forces which might be inert in the absolute State, when monarchs were considered as the representatives of God on earth with absolute power, become organized and exert influence on the government. The elected assemblies serve as a check on the power of those who govern especially the bureaucracy - a process in which the power of representatives limits the power of appointed officials leading to a power balance in which the arbitrariness of the rulers is restrained.

Also, there are advantages with any system which permits government actions to be subjected to public discussion through individual, press, and parliamentary liberties. One advantage is that the ruling classes are compelled to take into account mass sentiments on issues and any public discontent. Furthermore, the disadvantages of the elected representative system may be trifles when compared to the harm that may occur under a single principle of political organization such as in a one party collectivised State. In such an organisation, the diverse social forces may find it difficult to participate in the political process to counterbalance each other resulting in despotism. In a government of collectivism, where the government alone can dispense favour or bread, the multiplicity and counterbalancing of political forces might be lost and the bureaucracy might shatter all individual or public resistance and become tyrannical

and omnipotent. Contrary to the expectations of the proponents of the one principle political organization, the bureaucracy will never wither away but increase in size, authority, and power. He concludes that the regime that may promote liberty best is a mixed one in which different forces curb the power of each other.

In effect, Mosca argues that the importance of an elected representative system of government resides in the prior existence of counterbalancing political forces arising from individuals, organised groups, and institutions and made possible by the political elite's grant of individual and press liberties, and the subjection of government acts to public discussion. As will be discussed later, the historical experience of Ghana seems to substantiate most of the analysis and predictions of Mosca. In the indigenous political culture, the counterbalancing political forces were provided by representation from diverse clans and interest groups at the ruling college of elites, the consensual principle, the decentralized structure and the requirement for consultation and feedback from the lower levels before any major decision was taken.

Another classical account which is relevant to the Ghanaian experience is given by Robert Michels. In his book, Political Parties: A Sociological Study of Oligarchical Tendencies of Modern Democracy, 1911, Michels argues that the nature of the human individuals, the nature of the political struggle and, especially, the nature of organisation lead democracy in the direction of oligarchy. He focused his analysis on organization. He argues that human instinct views power as something to be acquired and then passed on to successive generations and in the process, aristocracies develop.

However, in democracies, organizational requirement is responsible for the development of oligarchy. It becomes necessary that any group, association or class wishing to have any meaningful impact on the political process be organised. Every organisation, including democratic ones, becomes divided into a minority of directors or leaders and a majority of directed or led. Initially, the leaders are merely executive organs of the collective, but, in time, the collective loses its control over the leaders, the leaders gradually become independent of the collective and, instead, gain control over it.

The oligarchical tendency is reinforced by the size of the modern political party which makes it impossible for all to participate in decision-making. Complexity and speciality of functions, and organization requirements, incomprehensible to the rank and file, calls for delegation of authority. Also, oligarchy is perpetuated by the need for quick decisions; the need for expertise; the requirement for information and control of information; the acquisition of leadership skills by the leaders which make them indispensable; the need for continuity which make the members prefer to maintain the same people in office; the apathy of the members and their willingness, gratefulness, and happiness to be left alone as others run the show; and the reluctance of the leaders to relinquish the power they have acquired. Thus, the needs and behaviour of both the leaders and members lead to oligarchy.

Governments, as complex organizations, are oligarchic. Because of organization, even if the leaders are replaced, the new ones will be oligarchic. Michels calls this general tendency of organizations to develop and perpetuate oligarchy, the iron law of oligarchy. "who says organization says oligarchy".

Elite theory and the notion of oligarchy in the complex organizations of government have been confirmed by some crucial case studies. Case studies are theory testing tools and crucial cases may be used to falsify theory. Some case studies including studies carried out by C.W. Mills and John Porter in the United States and Canada respectively, seem to confirm that the few govern the majority. The studies by Mills and Porter in the United States and Canadian environments where democracy, the rule of the majority, is most likely to hold sway, may be regarded as crucial cases for the falsification of elite theory. Because these crucial cases could not falsify the rule by the few, elite theory may be accepted as a general theory applicable to societies including Ghana. Therefore, a summary of these case studies is presented below.

In his book The Power Elite, Mills argues that a power elite of three different elements, the military, the political, and the economic have assumed control in the United States as a result of social and economic development. His focus of analysis of the power elite is social position rather than personal or individual characteristics. Because the elite is not just an economic class which rule politically, he

2

PM-1 3½"x4" PHOTOGRAPHIC MICROCOPY TARGET
NBS 1010a ANSI/ISO #2 EQUIVALENT

PRECISIONSM RESOLUTION TARGETS

considers the term elite more appropriate. The liberal notion of political representatives controlling the state does not recognise the important interplay between the corporate power holders, the military and the state.

He argues that the power elite are not representative men, their high position is not principled on any measure of moral virtue, and their success is not related to merit. The development of the power elite is accompanied by the simultaneous development of a mass society which is fragmented, passive and powerless. Consequently, the power elite is not held in responsible check by the plurality of associations, thus, making ideals of democracy, open politics, and intelligent citizens debating political alternatives unreal. What exists essentially is the domination and manipulation of mass society by the power elite and the acceptance of the situation by the mass majority.

Mills gives the impression of a possibility that the actual holders of political power might be playing the game from behind the scenes. They need not be those with merit, of proven morals, the elected representatives, or the appointed civilian officials.

In his book, The Vertical Mosaic, Porter focuses on certain institutions of society and the background, education, social status, ethnic origin, religion and political affiliation of leading elites in the economic, labour, political, bureaucratic and economic fields. He argues that institutions are organized hierarchically and individuals as well as groups who occupy the top positions of these institutions may be called elites. Elites may compete or co-operate depending upon circumstances. They may compete to share in the societal decision-making process or co-operate as a matter of concern for society. Moreover, the existence of various elite groups may lead to conflict and competition resulting in a balance of political forces in which no group of elites may become dominant. Because of the existence of elite groups in Canada, the notion of a liberal citizen participating in democratic governance is unsatisfactory as a model for the analysis of decision-making in both the economic and the political contexts. He laid more emphasis on the necessity for open recruitment from all classes into elite groups to ensure stability in contrast to Pareto's notion of circulation of elites with some going out and some coming in.

In summary, elite analysis holds that it is the characteristics and modes of domination of elites

which determine the institutional structures of society. It holds that leadership matters. Therefore, elite analysis argues on the side of agency in the structure-agency debate holding that what is most important in understanding any given society is not the social structures, arrangements, or processes but the elites. Structures may be constraining but not enslaving or impossible to change. However, the mode of domination chosen by the elite varies with contextual factors as evidenced by the differences between the United States and Canada. Thus, according to Mills, the balance of political forces is maintained in the United States by the interplay between the corporate power holders, the military, and the State. According to Porter, the balance of power in Canada is maintained by conflict and competition between various elite groups. Indeed, because of historical and contextual factors, the mode of domination chosen by the elites of the electoral representative systems of the western democratic societies varies from country to country. In short, even in liberal democratic countries of the west, the mode of elite domination varies from one culture to the other.

Due to differences in historical experiences, need, and culture, the attitudes and orientations of people towards social objects may vary. Because the purpose of politics is essentially the satisfaction of human needs, political culture, the orientations and attitudes of people towards political objects or the way peoples solve their problems may vary from one culture to the other.

In addition, contingency theory holds that there is no best way of organizing for the solution of problems. What is important is the fit between the political agents and the environment. Therefore, it is a mistake to consider one mode of domination to be the ideal to be emulated by the elite of every nation. Indeed, a close examination of the various democracies of the west reveals differences in the application of democratic theory. The evidence shows that the mode of domination of elites in the various democracies of the world do indeed differ. Thus the Americans practise a type of democracy which they consider to be compatible with the attitudes, experiences, and orientations of the American people; the British practise a type of democracy which they consider to be compatible with the attitudes and orientations of the their people. The same might be said of the French, the Germans, and those of the small European states of

Austria, Switzerland, Belgium, and the Netherlands. What might be suitable to the Americans might not be necessarily suitable for the French.

The evidence points that it is the compatibility of the particular type of application of democratic theory to the orientations and attitudes of the people towards political objects, or what I call 'Compatible Cultural Democracy', which matters. An incompatible cultural democracy might lead to counter-productive and very dangerous consequences. Indeed, the Presidential, Parliamentary, Federal, and Consociational democratic systems are all compatible cultural democracies intended for the intelligent solution of human problems, and the satisfaction of human needs.

Seeing that elites in all the developed countries of the west practise compatible cultural democracy, is it not reasonable and appropriate for the elites of African countries to practise a type of compatible cultural democracy suitable for Africans? Might incompatible cultural democracy or incompatible ideologies not be at the root of the political turmoil and economic chaos in contemporary Africa? The thesis of this dissertation holds essentially that, in general, the consequences of the practise of incompatible cultural democracy and incompatible ideologies by elites in Africa have been political instability and economic chaos of which Ghana is not only a typical example but, also, a critical case.

The notion of compatible cultural democracy might also be seen in the context of Abraham Maslow's hierarchy of needs. Whilst an advanced industrialized and powerful country, such as the United States may be aiming at satisfaction of the self-fulfilment needs of continued self-development and the greatest achievements among nations including feats of space exploration, a young and weak country such as Ghana may be at the stage of satisfying the physiological needs of providing bread to her hungry millions, striving to satisfy the safety needs of protection against danger, threat and deprivation, and sweating to promote the social needs of nation-building including the injection of the sense of belonging and the acceptance of one tribe by the other. However, the possibility of similarities in the mode of elite domination between nations far apart geographically may not be ruled out.

A mode of elite domination which comes close to the indigenous and consensual system of rule

by the consensus of an encompassing coalition is consociational democracy described by Arend Lijphart.² He uses the term to describe the stability of democracies such as Switzerland, Austria, the Netherlands and Belgium which, because of subcultural cleavages, may have tendencies towards immobilism and instability. Through consociational democracy, elites of the major subcultures are able to create and maintain more stable systems. The essential characteristic of consociational democracy is co-operation at the elite level with the objective of counteracting the tendency towards disintegration. But there are certain pre-requisites and favourable conditions for consociational democracy.

The pre-requisites include the ability to recognise the dangers inherent in the fragmented system; the commitment of elites to system maintenance; ability to transcend subcultural cleavage at the elite level; and the ability to forge appropriate solutions for the demands of the subcultures. When these pre-requisites exist, the conditions favourable to consociational democracy may include distinct lines of cleavage between the subcultures; a multiple balance of power between the subcultures; popular attitudes that favour government by grand coalition; perception of external threats; moderate and constructive nationalism; and a relatively low total demand on the system.

Another mode of elite domination which may be submerged in consociational democracy and relevant to the indigenous consensual system of Ghana is societal corporatism in which elites with different ideological orientations and political subcultures maintain a coalitionally based executive authority as an essentially political necessity for economic development.³ The essential feature of societal corporatism which is applicable to Ghana is the co-operation of the political elites, the economic elites and labour leaders in the decision-making process.

In summary, this chapter discussed the elite analysis approach and argued that because there is

²See Arend Lijphart, "Consociational Democracy", in World Politics, 1969 volume 21, number 1, pp 207-225. See, also, Arend Lijphart, "Typologies of Democratic systems", in Comparative Political Studies, 1968, Volume 1, number 1, pp 3-44.

³See Philippe Schmitter, "Still the Century of Corporatism" in Schmitter and Lehmbruch eds., Trends Toward Corporatist Intermediation, 1979, SAGE Publications Inc., London, PP 7-52.

no best method of organizing for elite domination, and the needs of nations differ, the mode of elite domination varies in accordance with contextual factors which are influenced by history. What matters is the fit between the political agents or elites and the political environment in which they operate. Blind emulation of a mode of domination might introduce a political causatenser and lead to disastrous consequences if there is no proper fit between the political agents and the operating environment.

The following chapter on the indigenous system of rule by the consensus of an encompassing coalition discusses the mode of elite domination in the indigenous political culture of Ghana and reveals the similarities between the indigenous political culture and a fusion of consociational democracy and societal corporatism. Also, how the indigenous mode of elite domination might be modified to suite the needs of a modern government within the Ghanaian environment is explained.

CHAPTER FOUR

THE INDIGENOUS GHANAIAAN POLITICAL CULTURE

The previous chapter discussed the elite analysis approach and the various modes of elite domination in different contexts. This chapter will discuss a typical mode of domination of elites within the indigenous political culture of Ghana and argue that it is that mode of domination of elites that might provide the proper fit between the Ghanaian political elites and the Ghanaian political environment. By forsaking this mode of domination to emulate other modes of domination, the misfit between the elites and the environment prevented them from achieving the necessary preconditions for successful and sustained development.

In the course of history which predated colonization, a mode of domination of elites based upon a consensus of an encompassing coalition of elites evolved which seemed to have combined, essentially, the advantages of consociational democracy and societal corporatism. The understanding of this particular mode of elite domination requires an understanding of the indigenous social structure. Partly because, with minor variation, the modes of domination by elites of the various ethnic groups in Ghana are very similar, and partly because the author is an expert in the traditional rule of the Ga State, the rule by the consensus of an encompassing coalition of the Gas is selected as an illustrative example.

In every village or town in the Ga state may be seen various clans living together in peace. These clans may be differentiated from one another by name, by the names of the members, and by their peculiar religious allegiances and rites. The clan structure and practices suggest that the towns and villages were founded by previously independent groups who found it safer and more convenient to live together at some point in history. Every clan was assigned some role to play in the life of the community.

Each clan is subdivided into families and the families are subdivided further into houses. Members

of clans, families, and houses are patrilinear blood relations, with the relationship closer at the house level. A house in this context may not be interpreted in the ordinary use of the word. It refers to people of the same ancestral origin at some point in social development. Each house is headed by an elder who, under normal conditions, is the oldest man in the house. The oldest woman heads the women in the house and she is respected by all as the mother of the house. Her position is no less important than the male head of the house except that the male leader presides over all meetings of the house. The same structure is repeated at the family level.

Because of the role and responsibilities of the clan at the level of the town or village as a whole, the selection of the head of the clan is more complicated and involved other clans and groups. The selection of the clan head is based more on merit than on age. The heads of the various houses and families meet to prepare a list of candidates arranged in order of preference by consensus. The list of candidates is presented before an electoral college consisting of the heads of the various clans, professional groups, the chief priest, and captains of war - "asafoiatsemei and asafoianyemei".⁴ It is this same college of elites which governs the town or village. The chief priest or wulomo of the town or village is, also, the speaker of the college responsible for order as discussions proceed. Each clan is represented at the electoral college by four people: the head or acting clan head, the "mother" of the clan, an asafoiatse (a male war captain), and an asafoianye (a female war captain). An acting clan head represents a clan whose head is to be selected. The college selects the clan head by consensus from the list of candidates. In the past, both the nomination of the candidates and the selection of the clan head were secret to avoid competition and petty jealousies both of which were considered dangerous. Hence, no candidate was ever aware of his nomination. After selection, at a predetermined date, the candidate was presented ceremonially to the people of the town or village and he swore an oath of allegiance to the ruling college and to the ruler or chief. In addition, he swore an oath of unflinching service to the people even at the peril of his life.

⁴"asafoiatsemei" is the plural form of "asafoiatse", a war captain. "asafoianyemei" is the plural form of "asafoianye", a female war captain.

The ceremony was crowned with the chief priest or "wulomo" invoking the blessings of the gods and of God upon the selected clan head, in particular, and upon all the people. The selected candidate was obligated to take office; refusal was a taboo and a disgrace that invoked automatic banishment from the town or village. There was a provision for the clan to prefer charges before the college against a leader who did not live to expectation and depose him if he was found guilty subject to an appeal to a higher college. However, before colonialism, destoolment of a clan head was either rare or unknown. Also, clan leaders might be replaced on grounds of insanity or be represented in an acting capacity by a selected member of the clan in case of some illness other than insanity.

The heads of the various professional groups such as the heads of farming or fishing are selected in a similar fashion. They are appointed for life. There is a provision that they may be deposed if they do not live up to expectation or be represented in an acting capacity on health grounds. Before colonial rule, destoolment of professional heads was very rare. A person is not allowed to be simultaneously a clan head and a professional head. Indeed, no person is permitted to hold more than one appointment.

The nomination of the candidates for selection to the office of a chief is the responsibility of the clan from which the chief is selected. However, it is the same electoral college which meets to select a chief. The chief swears an oath of allegiance not only to the people of the town or village, but also to the council of chiefs at the next higher level. In the past, appointment to the office of a chief was for life. Although there was a provision that a chief might be deposed if he did not live up to expectation, before colonial rule, destoolment of chiefs was either unknown or very rare.

At the State level, chiefs of the various towns, the chiefs of the captains of war, the various queen-mothers, and the chiefs of the main professions form an encompassing college of elites, the Ga council, which rules by consensus. In the distant past the Ga Manche, the head of the Ga State, was selected from the Asre traditional area as the primus inter pares among the principal chiefs from the various towns who together form the Ga State Council. Due to some historical occurrence related to marriage, the selection of the Ga Manche shifted from the Asre clan to the Abola clan.

All principal chiefs of the Ga traditional areas swore oaths of allegiance to the Ga Manche, the Ga Council, and to the Ga State Council. The Ga Manche, in turn, swore an oath of allegiance to all the principal chiefs, to the Ga council, and to the Ga State Council.⁵ The Ga Manche was the president of both the Ga Council and the Ga State Council. The Nai Wulomo, the highest priest of the Ga state, was the speaker of both the Ga Council and the Ga State Council. The Ga Manche was not an absolute ruler, but a rubber stamp of decisions taken by the Ga council and the Ga State Council which, after the swearing of an oath before the Nai Wulomo, became law or obligatory.

The system recognised the importance for stability, experience, and continuity of government. At all levels of the college, a member of that body might be represented by a person appointed in an acting capacity if the member became sick or too old to function effectively. Continuity of government was assured by the appointment for life of the members and the provision for representation in an acting capacity.

Also, the system was amenable to changing situations and conditions. At all levels, elites of the college might change the membership structure and the rules subject to approval at the next higher level. For example, the membership structure might change as villages developed into towns and as small interest groups developed into major ones. The ajina procedure explained below might be seen as a change in the rules of the political game when the growing size of the membership made consensus more difficult. Hence, it was the behaviour of the elites that determined the political structure. This is not to deny that structure, when in force, might shape the behaviour of the elites to some extent.

It is important to note that there was no political party in the system, that administration was decentralised to the family level, and that decision-making at all levels was consensual. The focus of the system was on organization and co-operation rather than on competition. The principle of co-operation and compromise prevailed over competition and conflict. Political competition was regarded as dangerous and

⁵A traditional area is a town and the villages that come under its jurisdiction. A principal chief is the chief of a town.

a tool which the enemies of society might use to their advantage. Constructive agency was considered to be best achieved through consensus within a tolerant and collegial organization that permitted debate, criticism and the free expression of views. The decentralised nature of administration, ensured democratic participation in the decision-making process by elites at all levels. Proposals and decisions from the higher levels were passed down for discussions and feedback from the lower levels and vice versa before final discussion and decision at the higher levels (a democratic process popularly known as "amaniebor"). Because of the consensual principle, circulation of elite input (amaniebor) was considered more important than the principle of circulation of elites. Final decisions at all levels were crowned and legitimised by oaths of unflinching support, and invocations of the blessings of the gods and of God by the wulomei or priests.

But decision-making by consensus might be difficult and prolonged. Moreover, emergency and crisis situations might require quick decisions. The system recognised these problems and a process of quick decision-making known as the "ajina" was built in to overcome them.

The ajina was an ad hoc committee appointed at the family, clan or college level to deliberate over an issue on which a quick decision or expert advice was desired or consensus building at a meeting became difficult. The decision of the ajina or ajinafoi (the members of the ad hoc committee) was final and binding on all within the jurisdiction of the college. To facilitate quick decision-making, the number of the members of the ajina was always of an odd number. Members of the ajina were selected from those present at the meeting except when expert advice was required. The process of ajina provided the state with relative autonomy at all levels.

Because of the decentralised nature of the political organization, large and expensive bureaucracies were not required, even, at the state level.

THE MILITARY-POLICE ORGANIZATION

Also, the military-police organisation was relatively inexpensive. The military and police duties were combined to avoid duplication of resources. There were no standing or regular armies that drew heavy salaries. Every able-bodied person was a member of the military organisation with the able bodied women providing logistics support to the fighting men. On reaching adulthood, every male was trained to fight and was presented with his weapons of defence by his clan. Every female, on reaching adulthood was trained to provide logistics support. Adult males and females were trained in the art of providing care to the wounded. Indeed, all able-bodied adult females were trained in the art of providing nursing care. Graduates from the institutions of herbal medicine, both men and women, provided the required medical care.

Each clan maintained its arsenal of weapons and the men of a clan were commanded by the asafoiatse or the military captain of the clan. Designated clans fought on the rear, the vanguard, the flanks and the centre. The battle faced by a town was co-ordinated by the chief captain of the town, the Akoashongtse, who took his orders from the chief of the town. Designated towns fought on the rear, the vanguard the flanks and the centre during war. The chief military captain of the Ga State co-ordinated the whole war effort taking his orders from the Ga Manche. Police duties followed the same pattern of administration. The military-police organizations were banned when Ghana was colonised. However, because traditional administration still exists, the titles of the indigenous military-police organisation do exist, but are of no real significance.

ADMINISTRATION OF JUSTICE

Administration of justice was not expensive. Lawyers were not required in the administration of justice. Truth based upon evidence rather than technicality was the focus of the courts. Courts existed at

the family, clan, village, town and state levels with provisions for appeal to the higher levels. The highest court of appeal was the Ga State Council. Justice was not by the opinion or conviction of a single judge, but by the consensus of an appointed panel of people who were conversant with the traditions and the law. If a sentence was considered too harsh by a person, that person might plead for leniency on the spot but not exceeding three times for the same offence. The panel of judges were not paid regular salaries, but received a token fraction of the fines imposed by the court. Thus, the administration of justice did not pose any financial burden upon the state; paid for itself and provided net revenue. Because justice was administered by the consensus of a panel, it was almost impossible for a person to bribe his way out of justice. Moreover, because lawyers were not required to represent any person, the poorest person was assured of justice. Like the military-police organization, the traditional administration of justice was replaced by the British system of justice when Ghana was colonized. However, the system still exists in traditional administration but in the role of arbitration and not as a legal entity.

THE ECONOMIC MARKETPLACE

The economic marketplace was also characterised by consensus. It was recognised that competition could be destructive if not controlled. Land was allocated by the consensus of the heads of the various houses forming a family. Priority was given to members of the family or clan. Also, the sellers of a commodity met to decide on the price range of a commodity to avoid destructive competition. Sellers could compete within the price range based upon the quality of their products. However, if the price range was reported to be too high, the leaders of that interest group might be invited to the ruling council of the town or village for price negotiation by consensus. Thus, constructive intervention by the state at the goods marketplace was considered both desirable and acceptable. In this way, both the interests of the customers and sellers were fused, served and protected through the consensual process. With the advent of colonialism, traditional rule lost its power to intervene constructively in the marketplace.

Problems at the labour market and at the workplace were attended to in the same consensual manner. Leaders of the professional groups met to decide on the price range of labour by consensus. If the price of labour was unacceptable to labour, the leaders of labour might meet with the leaders of the professions for negotiation by consensus. If either side was not prepared to compromise, the matter was referred to the ruling council where the final decision was arrived at either by the normal process of consensus or by the consensus of the *ajinafor* (members of the ad hoc committee, *ajina*). Decisions and disputes at the workplace followed similar patterns of administration to ensure the peace and satisfaction of all groups involved. Groups were held together by pragmatic bargains struck by the leaders of the college. In this way, workers were encouraged to participate effectively and constructively at the workplace. It was these interventions in the economic marketplace by the political elite and the bargaining and compromises by the groups involved within a consensual atmosphere which gave the indigenous political system its near corporatist character.

As has been pointed out earlier, the political organisations of the other ethnic groups in Ghana followed similar lines with minor variations. Therefore, the advantages of the indigenous political system were common to all the ethnic groups.

But like all human organizations, the indigenous system is not perfect. One notable disadvantage of the indigenous system is that, for security reasons, the nomination of candidates for selection by a college is weighted heavily by hereditary or ancestral considerations. Because of the appointment for life at the college and the emphasis on circulation of elite input through the democratic process of "*amaniebor*", the rate of circulation of elites is relatively low. However, the advantages inherent far outweighed these disadvantages.

SOME ADVANTAGES OF THE INDIGENOUS SYSTEM

The indigenous system had some notable advantages. The decentralised nature of the political

organisation and the associated procedure of feedback from the lower levels, the process of ajina, and the consensual process all combined to provide a balance between decentralisation and centralisation in the decision-making process.

Also, because the various clan and major interest group leaders were part of the college of elites, they were more apt to give their support to the decisions of the college and to convince their members that the decisions were in their best interest. The legitimisation of decisions by the swearing of oaths motivated the elites to support the consensual decisions. The members, on their part, were confident that their representatives at the college might not compromise their interests. This confidence in the college was enhanced by the representation of every person in society by at least two people, the representative from the clan and the representative from the professional group to which one belongs.

Also, the representation of men and women of the various clans and leaders of interest groups at the college combined with the decentralised and consensual process to ensure the balance of political forces in which no particular clan or group was dominant enough to abuse power. Political compromises across clans, villages and towns at all levels ensured political acquiescence and reinforced political control. The free discussions at all levels of college encouraged the free expression of diverse views and the airing of grievances for redress and, contributed immensely to diffuse centrifugal tensions and to preserve the unity of the villages and towns, and of society as a whole. It was this ability of the elites at the college level to maintain the unity of the various clans, villages and towns, in spite of the diverse traditions and religious allegiances, which gave the indigenous political culture its consociational character. Moreover, the near corporatist intervention at the marketplace coupled with the process of ajina reduced unnecessary friction and stalemate in the economic arena.

In addition, the circulation of elites at the clan, professional or interest group and college levels on the basis of selection by merit ensured that the most competent in society assumed office at any college.

Because of the non-existence of partisan politics, elites at all levels of the college were able to express their views freely and to seek the interests of their constituencies and the society as a whole rather

than the interest of a political party. The possibility of getting deposed for misconduct or failure to live up to expectation served to keep elites on their toes so as to deliver their best effort.

Moreover, the decentralised process made the work load at the state level relatively light for the capable and competent selected elites to handle. It insulated the leadership at the state level from most of the demands of society so as to concentrate on the more important affairs of the state. At the same time, the decentralised structure ensured the penetration of society by the state and enhanced nation building. As has been pointed out earlier, the decentralised structure and the voluntary nature of the military-police organisation enabled the state to discharge its duties with relatively very small and inexpensive civil and military bureaucracies.

In addition, the involvement of all able-bodies in military and police services had certain advantages. It contributed to make the crime rate almost negligible since suspects might be watched and be apprehended by all able-bodies around the scene. Because the nature of the military organisation required a large force or superior technology to defeat it, enemies were dissuaded from attacking by counting the cost of an attack. Coups were non-existent as well.

Also, continuity of government was assured within a flexible political structure that might be altered gradually, and judiciously to accommodate changing conditions or situations without compromising the principle of decision-making by consensus, and the principle of co-operation and compromise rather than competition and conflict. The subject of the next paragraphs is to discuss how the indigenous system might be adapted to suit the requirement of modern government an exercise which the Ghanaian political elite have failed to do since the beginning of the independence struggle.

ADAPTATION OF THE INDIGENOUS POLITICAL CULTURE TO MODERN GOVERNMENT

The indigenous political system may be adapted to suit the requirements of modern government

taking into consideration the ethnic diversity of the country, the principles upon which the indigenous system was founded, and the advantages inherent in its structure. The weighting of nomination of candidates by hereditary and ancestral considerations may have to give way to a modified system that offers equal opportunity based on merit within and between ethnic groups.

In the planning of a modified system, it may be recognised that the assembling of diverse ethnic groups to constitute the Ghana nation is very similar to the coming together of diverse clans to form towns or villages, the conglomeration of villages and towns to form traditional areas, and the coming together of traditional areas to form ethnic states at various points in the history of the development of society. Representation at assemblies, colleges, or councils on the basis of the ethnic composition in any particular area may not pose unsurmountable difficulties. Because of ethnic sensitivity, the consociational character of political organisation may be desirable and wise to pursue. Indeed, the indigenous principle of decentralised political organisation that ensures a balance of political forces through consensus, and the penetration of society by the state resulting in effective nation building may be indispensable to Ghana's development. What may be required and revised periodically may be the records of the ethnic and interest group structures at the various levels of the political mapping of the country.

Politically, in the order of progressive subdivision, the country may be divided into regions, districts, traditional areas, towns, and villages taking into consideration the geographical origins of the ethnic groups. There may be colleges or assemblies at all levels. The representation at any level of assembly may reflect the ethnic population structure of that area by proportion plus the professional or interest group structure by proportion. Hence, a person may be represented at least by two people, one from the ethnic group and the other from the professional or interest group. There may be no political parties. Candidates may be nominated on the basis of merit and moral conduct by their groups.

To ensure adequate circulation of elites, each tenure of office at the assembly may not be more than four years and a candidate may not serve more than two tenures at the assembly. Decisions at any level of assembly are to be consensual to ensure a balance of political forces. The institution of *ajima* may

be necessary at all levels to enable quick decisions during emergency situations or when there is a stalemate in arriving at a consensus. Legitimisation of decisions by oath is an essential part of Ghanaian culture and may be preserved. Because of the on-going secularisation of society and the diversified religious allegiances of the various ethnic groups, the role played by priests in the legitimising process may be dropped.

At all levels, the speaker of the assembly and members of the executive may be appointed by the consensus of the members for a tenure not exceeding four years and not more than two times. At the national level, the President and his executive selected by the consensus of the national assembly, may be sworn in by the Chief Justice.

THE MILITARY AND POLICE INSTITUTIONS

The military and police institutions may also be modified to enhance their effectiveness but the principle of dissuasion of the enemy by the participation of all able bodies in the defence of the country, when needs be, may be retained. For example, any aggressor, aware that ten million Ghanaians are trained to defend themselves effectively, may be compelled to count the cost carefully before launching an attack. Similarly, people may be deterred from planning coups. However, it may be necessary to maintain a relatively small core of officers and personnel for purposes of operational readiness and the maintenance of equipment, stores, and records. For security reasons, arms may be kept under guard at all levels and issued only when necessary. The principle of dissuasion may be ensured through compulsory military training for all able bodies. Enforcement of the indigenous principle of involvement of all able-bodied citizens in military and police duties may reduce the cost in providing these services and release financial resources for development projects.

ADMINISTRATION OF JUSTICE

The principle of administering justice based upon facts rather than technicality may be preserved. Suspects may have to defend themselves as before without the aid of a lawyer and justice may be administered at all levels by a panel of judges of which at least one member may be a lawyer who may be on regular salary. However, suspects may have the right to appeal. This arrangement may ensure that criminals do not escape punishment just because of some technical error and contribute to reduce the incidence of bribery and corruption of judges. In addition, it may serve to discourage offenders of the law, especially the rich offenders, that it is possible to escape punishment through the services of a clever lawyer or the bribing of a judge. All may become equal before the law and the common notion in Ghana that justice is a prerogative of the rich may not be the case any more.

THE ECONOMIC MARKETPLACE

As pointed out earlier, the near corporatist arrangement that ensured peace in the economic arena may be indispensable to Ghana's development. A developing country such as Ghana may not be able to afford the luxury of strikes and tensions in the economic arena which invariably translate into political unrest. It is expected that the maintenance of the near corporatist culture may contribute immensely to the maintenance of peace in both the economic and political arenas.

CHARACTERISTIC FEATURES OF THE MODIFIED SYSTEM

In summary, the following desirable characteristics may be expected of the modified indigenous political system:

- (1) A decentralised consensual and consociational system with a high degree of participation of interest

groups and professional associations directly in the decision-making process. Thus, the military, the police, peasants, workers, entrepreneurs and traditionalists will all be represented in government and participate actively in decisions that affect them and the nation as a whole. Indeed, it may be a State that encourages openness and freedom of expression of views.

(2) The absence of political parties may mean the vanishing of the problems of instability associated with the party system such as frequent changes of government and frequent changes in major ministries, the threat of decrease in the electoral margin of government parties which divert the attention of governments from more important issues, and fractionalization of the party system with its attendant weak minority governments.

(3) A relatively stable State in which coups may be unjustified and unheard of and which ensures a periodic circulation of elites by which the governing elite are renovated both in number and in quality.

(4) A responsible state that is relatively autonomous through the institution of *ajina* and insulated adequately from society by the decentralised process to concentrate on more important issues. It may be such a state, aided by the consensual and *ajina* processes, that may develop the capacity of defining and sustaining nationalist oriented policies in the long term interests of the nation, and enjoy the support of all sections of society through the decentralised process. The decentralized process may enable deep penetration of society by the political elite to explain the rationales of government policies.

(5) Small and inexpensive but efficient regular Armed Forces and Police organizations, augmented in their effectiveness by compulsory training for all able-bodies, and with an associated highly disciplined society with a low crime rate reminiscent of the past before colonialism.

(6) A relatively small and efficient central State bureaucracy made possible by the decentralised nature of the political structure and responsibilities assumed by local authorities.

(7) A largely privatised but mixed economy with a near corporatist intervention in the market that reduces tension and promotes peace in the economic arena so essential for development.

In this chapter, the indigenous political culture has been discussed together with how it might be

modified to suit the needs of modern and efficient government. At all levels of government, representation might be a microcosm of the society it represents. These characteristics may contribute to the realization of the political pre-requisites for successful economic development. Instead of modernizing the indigenous system to meet the needs of modern government, however, the Ghanaian elite have chosen to emulate foreign political cultures with disastrous consequences in both the political and economic arenas. As was pointed out in part two in the statistical analysis the Ghanaian elite are more apt to blame the political and economic crises on external factors and, in so doing fail to realize the root cause of the problem.

In the chapters of the following parts four and five, it will be argued that the Ghanaian political elite failed to modify the indigenous system to achieve those characteristics of the indigenous political culture conducive to development within the Ghanaian environment and the foreign political cultures emulated fell short of them. The consequence has been the perpetuation of political strife with disastrous economic consequences: culminating in the present economic crisis.

Part four which follows immediately, will discuss the events of the pre-independence period and argue that within that period, the farther the Ghanaian elite departed from the principles of the indigenous political culture, the wider they opened the door to the politico-cultural causatenser to undermine their efforts, and the more they failed to establish the necessary pre-conditions for successful and sustained development.

PART FOUR

CHAPTER FIVE

HISTORICAL ANALYSIS:

THE PRE-INDEPENDENCE PERIOD 1945-1957

The preceding chapter discussed the indigenous political culture and explained how it might be modified to suit the needs of a modern government within the Ghanaian environment. This chapter discusses the configuration of social classes in Ghana and how, in the absence of alien party politics, the Ghanaian elite of the pre-independence era before 1945 were able to mobilize the Ghanaian masses of all social classes effectively to defend the interests of the nation even under the tutelage and shackles of colonial rule. It is argued that through violation of the principles of the indigenous political culture, the Ghanaian elites of 1945 to 1957 enabled a politico-cultural problematic, an unperceived causatenser, to prevent them from establishing the necessary pre-conditions for successful economic development. In the process, western democracy (the rule of the common people) became translated in the Ghanaian political pot, through the agency of this causatenser, into democrazy (demonstration of craziness) in both the economic and political spheres.

During the pre-independence period of 1945 to 1957, the Ghanaian political elite failed to organize an encompassing coalition compatible with the indigenous consensual culture to fight for independence and to attain the political pre-requisites for successful economic development. Instead, the political elite allowed itself to be divided and laid the foundations for Ghana's subsequent political and economic crises. To understand why the political elite might be blamed for Ghana's economic and political failures during this period, it may be necessary to explain the configuration of social classes or groups that existed and the associated tensions.

CONFIGURATION OF SOCIAL GROUPS

Social classes existed in Ghana during the pre-colonial period, but these classes were differentiated on ideological grounds in the form of tribe and clan patterns, and on economic grounds in the form of stratified professional groupings such as farmers, fishermen, and traders. But since there was mobility among the strata of the economic classes and through change of profession or engagement in more than one occupation, it may be more appropriate to regard the economic classes of the pre-colonial period as economic groups. Also, strong cleavages which cut across class lines existed such as the extended family ties, forged through intermarriages, and which conditioned the nature of interclass conflict. Other types of cleavage were in the form of stratified religious groupings; ruling echelons of clans; and the common people comprising the lower echelons of clans, and migrants who were ruled. But because there were no rigid laws to prohibit mobility between the strata of these groupings, intermarriages superimposed the extended family ties upon this cleavage. Indeed, the cross-cutting cleavages were so strong that class consciousness was negligible. Thus, struggles between classes were subsumed in struggles between groups. Therefore, it may be more appropriate to refer to the social configuration of pre-colonial Ghanaian society as social groups to reflect the characteristic strong cleavages.

During the colonial period and within the context of the traditionally strong cleavages, the social, economic and political structure of Ghana underwent dynamic changes as a result of certain aspects of colonial policies, missionary activities and the education system that was introduced. A group of small property owners, entrepreneurs and small traders emerged in the urban areas who aspired to develop into big business, but their efforts were undermined consistently by foreign firms with the support of the colonial government. Also, a propertyless group of professionals, intellectuals, clerks and civil servants emerged in the urban areas.

The colonial process and the process of establishment of oligopolistic trade by the foreign firms had the effect of disintegrating the entrepreneur group and relegating it to a dependent relationship with the foreign firms in such activities as salary employment, commission agency and as brokerage. This

situation evolved largely because of the unfair competition resorted to by the foreign firms with the purpose of driving the Ghanaian entrepreneurs out of business and preventing them from posing a challenge to the lucrative import-export trade and foreign supply sources. However, this unfair competition did not exist to an appreciable extent until the middle of the nineteenth century.

Before then, racial discrimination was minimal enabling Africans and Europeans to regard each other as equals in both the economic and political spheres. Europeans and Africans belonged to the same trade organizations, to the same Chambers of Commerce and participated together in the colonial administration to the extent that, in 1850, James Bannerman, an indigenous Ghanaian, became a temporary Lieutenant-governor. Intermarriages took place between white and black resulting in the development of a group of mulattoes in Ghanaian society.

But when the colonial government established better health facilities that made it possible for more Europeans to come to Ghana, bringing along their white wives, white husbands, daughters and sons, the situation changed. Mistrust and racial discrimination, in which Europeans considered themselves a superior race, set in. Also, a struggle for the economic pie ensued. The European firms began to organize to eliminate African traders from direct dealings with the supply sources. Shipment of goods on credit to African trading partners dwindled whilst shipment to Europeans increased. Africans were charged more than mulattoes who were, in turn, charged more than Europeans for the same traded goods.⁶ In addition, Ghanaian traders did not get easy access to the then means of exchange in international trade, British specie, to pay customs duties compared to their European competitors who had enough to cater for both duties and agricultural produce. The colonial government was not a neutral arbiter in the economic struggle.

Through a series of economic gerrymandering, laws were passed in favour of the European trad...

⁶ Howard, Rhoda; Peripheral Economy and Class Formation, 1978, Croom Helm, London, page 184. For more details on the following historical account up to the end of the sub-paragraph "The power of Elite Unity in the Indigenous System", the reader is referred to the pages 184-194.

which made it difficult for the small scale African entrepreneur to trade. The Legislation of 1857 imposing a licence fee on African retailers is a case in point. The lighter a person's skin, the easier it became for that person to operate at the marketplace.

In addition, various mechanisms were employed by the European firms, assisted by the foreign-owned banks, to undercut and eliminate African traders. Because of the racial prejudice that developed, the foreign-owned European banks were unwilling to provide credit to Africans who had been relegated to the lowest band of the racial spectrum and considered unfit to compete with Europeans.

In accordance with the racial spectrum and the practice of economic gerrymandery by the colonial government, only Europeans were permitted to own banks. The situation enabled the European firms to adopt the unfair strategy of reducing the selling prices of goods until Ghanaian traders were forced out of business. Having been pushed out of business, some African traders became employees of the foreign firms on a commission or salary basis with little promotion prospects. African traders were enticed with offers to become agents, distributors and passbook holders with credit from the foreign firms. The credit facility was contingent upon spending the money in purchasing goods from the firm that granted it. It was through this process that the Ghanaian traders became tied to the foreign firms as sources of supply of traded goods.

Because European banks were unwilling to give credit to Ghanaians, this dismal relation continued even after the establishment of a banking system in the country. Also, through a process of political gerrymandering, African traders were excluded systematically from the Gold Coast Chambers of Commerce and from participation in government. Indeed, after 1904, of the Ghanaian the Legislative Council (an institution which the traders had dominated in the past) only one member was a trader. Under these circumstances, the Ghanaians traders could no longer compete and some of their families began to move into professional life, but with growing resentment for colonial rule.

Ghanaian professionals and intellectuals trained in British universities including lawyers, and the traditional indirect rule chiefs replaced the traders in the colonial political structure. The replacement of

the traders might be seen, in the larger context, as part of a clever strategy by the alliance of European firms, banks and the colonial government to weaken or eliminate the influence of the African traders in decisions concerning the marketplace. However, the participation of the African intellectuals in government or in the administrative apparatus of government might not be misconstrued as a recognition of the equal opportunities for the races to participate in government. The colonial government considered it more economical to train these intellectuals and professionals to perform the various mediatory functions in the colonial administrative apparatus. At the lower echelons of the administrative apparatus were trained clerks and teachers who provided the required support services. The group of teachers and clerks were popularly referred to as the "young-men" not because they were relatively young in age, but because they occupied a lower status than the group of professionals and intellectuals.

Because most of these professionals and intellectuals were descendants of the indigenous traders, they, naturally, resented the colonial rule in strong terms. It was from this professional and intellectual group that the United Gold Coast Convention (UGCC), an independence movement was formed. Also, Attoh Ahumah, a Ghanaian intellectual who advised Ghanaians not to forsake their own culture in any process of genuine emancipation of their motherland belonged to this group.

Other Ghanaian entrepreneur groups developed interest in industry with attempts at manufacturing or processing, but were discouraged by the colonial government in collaboration with the expatriate firms. A case in point was when, in 1887, the colonial government imposed duties on goods manufactured locally while, simultaneously permitting capital goods considered necessary for the establishment of European owned industry to be imported completely free of duty. Because Ghanaian industry could not compete with European made goods, the indigenous industries declined.

Some Ghanaian entrepreneurs became contractors in the construction industry. Some played active roles in the construction of roads and railways for the colonial government. Others were engaged in the private construction of roads and bridges privately for cocoa farmers to facilitate the transportation of cocoa. But, through colonial discouragement, these contractors lost ground to foreign enterprise. Thus,

the hopes of Ghanaian entrepreneurs to develop into big business never materialized and resentment against colonial rule grew stronger.

That, resentment also developed in the mining sector. The effect of the mining, construction, transportation and manufacturing industries in Ghana was the development of unionised groups of workers in Ghanaian society. Increasingly, these trade union organizations became politicized and nationalist in reaction to the poor working conditions and the discriminatory low wages to which they were subjected.

In addition, several youth organizations and study groups sprang up with nationalist fervour and opposed to colonial rule. To these politicised groups may be added the veterans' organizations that included ex-service men who served in the two World wars. The nationalist fervour of these latter groups might be regarded as a natural response to the drafting of about 30,000 Africans to fight the Japanese in Burma, the domination of the economy by foreign firms and a colonial government insensitive to the exploitation and marginalization of the African population.

Also, the social, economic and political configurations of rural areas went through some dramatic changes. These changes affected the administration of land in the rural areas. The actual owners of land in Ghana are the departed ancestors who acquired it by settlement or conquest. Thus, land is communally owned by the living descendants. The individual descendant has the right of use only. Cash crops grown on tribal or family lands by an individual do not belong to the tribe or to the family; they belong to the individual who pays some tribute to the tribe or family. But the administration of the communally owned land is entrusted to heads of families or to chiefs. The process of production for the market resulted in the introduction of cunning devices for the acquisition of wealth. Although land was still communally owned during the colonial period, those who controlled it managed to use their position to advantage. Through private grant and control of usufruct, the administrators of the land were able to obtain cash-crops at cheaper price or some agreed proportion of produce free of charge for sale on the market. In the course of events, differentials in wealth developed.

The wealthiest among the rural groups acquired a number of farms on which they employed labour

while, at the same time, they engaged in trade, money-lending and brokerage. Among this group were chiefs who had the advantage of leasing tribal lands to Europeans in return for handsome rewards. Some members of the rich rural groups concerned themselves with cocoa brokerage and money lending only. The usual strategy of this group of cocoa brokers was to obtain and store as much cocoa as possible during the peak season and sell it to Europeans at higher price during the lean season to maximize their profit. For the same profit maximization drive, most rural money lenders preferred payment of debts in cocoa or other valued crops or in usufruct on the debtor's land.

Next in descending the rural ladder of wealth was the group which owned only one farm, were free from debt and depended on labour from their own nuclear families or on co-operative labour. Below this group were the poor and often indebted peasants. They borrowed money from the wealthy group of farmers with whom they entered into share-cropping arrangements or gave up usufruct to defray their debt. However, because of the communal ownership of land, these indebted peasants did not lose the right of access to land completely.

At the bottom of the ladder were the migrant labourers from other areas of the country or from the neighbouring countries who were employed by the rich farmers. Although they belonged to land ownership groups in their areas of origin, in the areas in which they were employed they were landless. The terms of payment for labour varied. By various agreements, some labourers received a third of the crop at the end of the season and it was their responsibility to market their share; others were granted a piece of land to farm on their own instead of receiving a portion of the proceeds of their masters' farms; other labourers were paid in cash at the end of the season; finally, some were compensated through a combination of any of the methods described above.

The cocoa brokers and the rich farmers derived power from their economic advantage of being the source of finance to the peasants. Because the peasants pledged their lands or crops in return for the cash advances they received at exorbitant interest rates of the order of 100 percent, the cocoa brokers and the rich farmers might keep these peasants in perpetual debt. The unwillingness of the European banks

to lend money to Africans encouraged this process of economic subjugation of the peasants. On the other hand, peasants who had pledged their entire crops for a period might reduce their level of productivity by deliberately not working hard to increase production since the proceeds might go simply to the creditors. Even in cases where the indebted peasant surrendered not all but a relatively large proportion of crops for the payment of principal and interest, that peasant might not be encouraged to work hard enough. He or she might be tempted to engage in trade or wage labour as a means of supplementing income.

Because of the differentiation in wealth, tensions developed among the various groups of rural society. But, at the same time, those in the cocoa growing areas had the price of cocoa as their binding tie. Rising cocoa prices during certain periods drew both the rich farmers and the peasants into investments in cocoa production. When prices of cocoa fell, both groups lost heavily and labour income dropped substantially. Also, the cocoa brokers lost heavily whenever they stored cocoa in anticipation for high prices and the prices fell. The market price of cocoa in Ghana was reduced further below the world market price by the willingness of the foreign firms to use their oligopolistic position in the export of cocoa to their advantage. These foreign firms dictated the local price of cocoa by maintaining a comfortable margin of profit for themselves between the local price and the world market price. They were always the winners and never the losers.

The effect of losses to Ghanaians was to discourage cocoa production and, thereby, reduce the revenue of the colonial government. To encourage cocoa production to sustain revenue, the colonial government attempted in the late 1920s and the early 1930s to establish cocoa co-operatives to provide credit to their members. However, the co-operatives were ineffective in rescuing peasants from their debts or the relatively rich in the rural areas from their frequent losses. The banks might have been the best instruments, but the colonial government encouraged the banks to lend only to non-African enterprises. Under these circumstances, the various rural groups came to the same conclusion as their urban compatriots by identifying the real enemies as the colonial government and foreign enterprise. Therefore, reaction against colonial and foreign economic control assumed a nationalist character in both the urban

and rural areas.

THE POWER OF ELITE UNITY IN THE INDIGENOUS SYSTEM

The cocoa boycott that lasted between October 1937 to April 1938 demonstrated the power of elite unity in the nationalist struggle. When in 1937 the foreign cocoa buying firms formed a trust to control the producer price of cocoa, Ghanaians acting through the consensus of encompassing elite coalitions were united in opposing such control. Because there was no party politics to divide the population, the elites from the various tribes, towns, villages, and professions were able to mobilize the masses through the indigenous mode of elite domination and fervent nationalism in effectively fighting the trust. The organizational capacity of the Ghanaian elite of that era and their ability to form an encompassing and effective coalition in accordance with the indigenous consensual culture to fight against a common enemy were put to the test and proven. The boycott was extended to most European-produced imported goods. Every region of Ghana took part in the boycott. Market women, workers and lorry drivers participated by going on strike. The indirect rule chiefs declared and showed their support openly. Several tons of cocoa were burnt. Because Ghanaians were united and British economic interests were at stake, the British government was compelled to appoint the Nowell Commission which recommended the changes demanded by the Ghanaian elite.

THE DECLINE OF ELITE UNITY AND POWER

However, when in 1948, the British Labour government established the Cocoa Marketing Board (CMB) as the sole buyer, grader, seller and exporter of cocoa, the Ghanaian elite of that era failed to organize effectively against the move. The CMB was established ostensibly to protect the cocoa farmer

from the uncertainties of the world market. But the British had a hidden agenda. As explained later, it was established primarily to provide balances for the British post-war reconstruction effort by extracting cocoa surplus and siphoning it off to Britain.

Why did the elites fail to organize effectively? It was principally because, the elite of that time had forsaken the indigenous political culture and allowed foreign interests to divide and manipulate them. The failure of the Ghanaian elite to mobilize against the CMB was an indication of the intra-elite struggle prevalent at that time. The successful establishment of the CMB signalled a milestone in Ghana's history at which the Ghanaian elite lost their ability to unite together to defend Ghana's interest and marked the beginning of Ghana's economic crisis. In the past, the binding tie had been the common political culture of elite consensus based upon unity of purpose with nationalist fervour as the catalyst. By permitting foreign interests to divide them, the elite lost the ability to forge a unity of purpose and the catalyst became ineffective.

But the intra-elite struggle might have been avoided if the elite had drawn lessons from Ghana's rich history and culture. Ghana had a glorious political culture and a history to draw upon to build a strong and prosperous future. In addition to the success of the cocoa boycott mentioned above, Ghana had a record of success in fighting for its rights whenever the elite organised, not on partisan lines but in accordance with the indigenous consensual culture. For example, the Aborigines Rights Protection Society, organised in accordance with Ghanaian political culture in 1897, was successful in its campaign of opposition, that year, to a Lands Bill which threatened aboriginal lands tenure by proposing that all lands not in actual use be in control of the British government.⁷

Again, because of ARPS opposition, in September 1911, a bill to establish forest reserves enacted by the Legislative Council was dropped. In addition, a famous Ghanaian scholar, Attah Ahuma, had written as far back as 1911, advising that Ghana could be saved only through a process of intelligent

⁷D. Miles McFarland, Historical Dictionary, 1985, Thomas Nelson and Company, London, pp. 13-14

retrogression in which Ghanaians would rid themselves of foreign "accretions and excrescences" to achieve the nationalist objectives of National Resurrection and National Prosperity.⁸

But the pre-independence period saw Ghana as a divided society in which the political elites could not rid themselves of foreign political and ideological practices, form a united front to define nationalist objectives, and fight as one body for independence. It seemed as if Ghanaians had soon forgotten their culture, the experience of the ARPS, the success of the cocoa boycott and the advice of Attah Ahuma. This inability to form a strong and culturally compatible and encompassing coalition laid the foundations of a vicious cycle of political and economic crises from which Ghana has not been able to extricate itself up to this day.

It will be argued that although the British might be blamed, in part, for this inability, the greater share of the blame rests with the Ghanaian political elite of that era who failed to take advantage of the common perception (by the various groups of Ghanaian society) of the colonial government and foreign enterprise as the enemies in order to unite and mobilize Ghanaians for the realization of nationalist objectives.

The British might be blamed for the part they played in dividing the political elite of Ghana, but at the same time it might be recognised that the British were in Ghana primarily to further their imperialist interests and organized to promote those interests. On the other hand, although Ghanaians were colonial subjects, they had interests which were not coincident with the interests of the colonizers. It was the responsibility of the Ghanaian elite to organize to achieve those interests as past Ghanaian elites had exemplified in the cases of the cocoa boycott and the ARPS.

Also, in furtherance of British interests, it was to the advantage of the British political elites and strategists that a native ruling elite, strong enough to protect British interests but weak enough to be dominated by them, assume the reins of government in an independent Ghana. British economic and

⁸David Kimble, A Political History of Ghana, 1963, Oxford University Press, pp. 499-501.

geopolitical interests included the prevention of the enlargement of the socialist bloc. This strategy included guiding the nationalist forces in the colonies in such a manner as to align them with international business dominated by the west. Among the nationalist forces, reactionaries who favoured reforms to the existing rules were preferred to radicals interested in revolutionary changes. In accordance with this strategy of containment of communism, independence might be delayed until the British were convinced that their interests would be protected.

British strategies in Ghana were geared naturally to the realisation of their objectives and followed a general pattern explained as a process by Sir Andrew Cohen, the former head of the African Division of the British colonial office. Cohen explains the British strategic process in these words:

In the early stages, pressure of local opinion tends to be weak and unorganised and, if the official attitude is rigid, or negative, progress may be slow or non-existent. In such a case action by the government is often needed to induce movement forward by doing something that primes the political pump. Governments call this "Keeping one step ahead of public opinion". In the latter stages of political advance, pressure by the nationalist forces tends to be strong and here, if the government is rigid, there may be an explosion or if the government is weak, progress may be too rapid in the wrong direction. In fact, where local political forces or movements are powerful, smooth progress depends upon imagination as well as firmness on the part of governments, not only on strength but on flexibility.⁹

British policies from the end of the First World War to 1957 when Ghana became independent tended to follow this general strategy.

British policies were aimed at grooming the indirect-rule chiefs and the British trained Ghanaians of the professional and intellectual group, particularly, lawyers, as the political elite of the country. At the same time, implementation strategies were aimed at dividing and weakening the political elite in such a manner as to ensure their domination and the protection of British interests. Within the Colonial office, the liberals tended to favour a coalition in which the lawyers of the professional and intellectual group

⁹Andrew Cohen, British Policy in Changing Africa, 1959, Northwestern University Press, London, p. 37.

would have the upper hand and, the conservatives, a coalition in which the indirect-rule chiefs would dominate. The British Labour Party and the Conservative Party took similar stands with the Conservatives preferring the conservative-oriented indirect rule chiefs and the Labour party preferring the more liberal minded professionals and chiefs. Changes of government in Britain, therefore, resulted in the switching of support from the chiefs to the lawyers and vice versa having the effect of creating tensions between the two factions of the Ghanaian political elite.

The British may not be blamed too much for pursuing the above strategies to ensure their interests. It was up to the Ghanaian political elite to play the political game by uniting together as Ghanaian elite of previous era did and to define and protect Ghana's interest.

But instead of forming a united and encompassing coalition with one leader recognised and respected by all sections of Ghanaian society, and a supportive college of elites representative of all major sections of society in accordance with the indigenous culture of consensual democracy, the political elite reinforced the centrifugal forces tending to break them apart and weaken them, and subjected themselves to the divide and rule strategies and the manipulative tactics of the British. Thus, Gold Coast politics before 1947 was characterised by lobbying by the chiefs as a group on the one hand and the lawyers as a group on the other for greater representation within the Gold Coast Legislative Council. The effectiveness of the lobbying by the chiefs vis-a-vis the lawyers at a particular period of time was reflected in a speech by Sir Gerald Creasy when he was sworn in on January 12, 1948 as the Governor of the Gold Coast:

I shall give my fullest support to the chiefs and their councils. The chiefs and their councils will become increasingly important.¹⁰

In the process of this competitive lobbying, the Ghanaian political elite neglected their duty to mobilise the Ghanaian masses (sections of which had become increasingly politicised and militant against the colonial economic and political structures) for the realisation of nationalist aspirations and objectives. It was this

¹⁰Ashanti Pioneer, Kumasi, January 12, 1948.

same lobbying which prevented the two elite factions from organizing against the establishment of the Cocoa Marketing Board (CMB) by the colonial government.

THE UGCC AND VIOLATION OF GHANA'S POLITICAL CULTURE

After the Second War, however, some groups in Ghanaian society consisting of lawyers, upper civil servants, big cocoa brokers and contractors, disenchanted with the colonial system organised a movement known as the United Gold Coast Convention (UGCC) to fight for "full self-government within the shortest possible time".¹¹ But the UGCC was not representative of the major sections of Ghanaian society to justify its name or conform to the indigenous system of rule by a consensus of encompassing coalitions. It adopted an elitist attitude which alienated it from the masses and other politicised sections of society. The elitist attitude of the UGCC was reflected in a discourse between Richard Wright and Dr. J B Danquah, the Vice President of the UGCC:

Wright: Why don't you try to win the masses to your side?

Danquah: Masses? I do not like this thing of the masses. There are only individuals for me.

Wright: But masses form the basis of political power in the world today.

Danquah: You believe that? I know that you people dote on this thing of the masses ... I've read that you claim that this mass unrest comes from the industrialisation of the Western World.

Wright: Why is it that you cannot appeal to the masses on the basis of their daily needs? You are a lawyer; you're used to representing ... Well, represent them. As we say in America: be a mouth piece for them.

¹¹Kwame Nkrumah, Ghana, 1964, International Publishers, pg. 103.

Danquah: I can't do things like that.

Wright: It is the only road to power in modern society. No matter how deeply you reject it, it's true.

Danquah: It's emotion.¹²

Cut off from the masses by its elitist attitude, the UGCC could not mobilise the other politicised sections of Ghanaian society and the masses to create any formidable and encompassing coalition that might pursue nationalist ambitions aimed at decolonisation and not mere independence. In this context, independence is regarded as the nominal transfer of political power from the colonizer to the colonized with the political, economic and ideological still serving the interests of the colonizer. On the other hand, decolonization refers to the process of breaking down the colonial structures and replacing them with nationalist structures that are oriented effectively to serve the interests of the new nation only.

However, in 1947, the UGCC invited Dr. Nkrumah, whom they perceived as a member of their elite group because of his educational background, to become its Secretary General.

As Secretary General, Nkrumah saw the UGCC as a movement supported mainly by reactionary groups of lawyers and merchants. The UGCC was regarded as reactionary in the sense that it did not perceive the difference between nominal independence and decolonization, and aimed at 'independence within the shortest possible time' which was vague.

To the politicized nationalist forces and radical politicians, Ghana was colonized politically, economically and ideologically through the establishment of colonial structures designed to perpetuate domination in these spheres. To them, nominal independence meant, essentially, the perpetuation of the established colonial structures by Ghanaian agents of imperialism after shallow or token reforms; these Ghanaian agents of imperialism were the privileged few whose selfish interests were served by the maintenance of the colonial structures. On the contrary, decolonization meant to them the complete

¹²Wright, Black Power, 1957, Oxford University Press, pg. 221.

liberation from the shackles of imperialism which meant the breaking down of the unfair colonial structures of subjugation and paternalistic tutelage, and their replacement with nationalist structures in which the interest of Ghana shall be paramount. What Ghana needed, and it was long overdue, was decolonization and not nominal independence. In effect, the country longed for the principle of intelligent retrogression into suitably modified Ghanaian structures by the shredding away of foreign excrescences as propounded by Attah Ahumah.

Because Nkrumah considered himself a radical politician committed to the themes of the Sixth Pan African Congress -- non-violence, Gandhian tactics of positive action, anti-imperialism, and non-alignment - he was determined to confront the UGCC leadership and to orient the struggle towards a more nationalist and radical goal. What Nkrumah wanted was 'self-government now' and not the vague expression of 'self-government within the shortest possible time' propounded by the reactionary UGCC since the "shortest possible time" might be interpreted by the colonialists in their own way to satisfy British interests.

But the radical approach of Nkrumah had the effect of creating a split in the UGCC which had still done little to invite the participation of other politicised groups in the country. The other politicised groups which had not identified themselves with the UGCC included the Trade Unions which were organised in almost every commercial town, youth organisations, study groups, and veterans. All that was required was for the UGCC to bury its pompous and elitist attitude and to invite these politicised organisations and other major sections of Ghanaian society to form a united and strong nationalist coalition compatible with the indigenous culture of consensual democracy. But the UGCC leadership failed to do so. Also, the elitist attitude explains why the UGCC as a nationalist movement failed to organize against the establishment of the CMB, the organization that became the cornerstone of Ghana's economic crisis.

As a consequence, the front in the struggle for independence was divided and weak, with no support from the masses of Ghanaian society, as it confronted the expatriate firms that dominated the economy, and the British colonizers. The weakness of the nationalist front was revealed in the famous Christiansborg Riots and their aftermath.

THE CHRISTIANSBORG RIOTS

The spontaneity of the riots demonstrated clearly that Ghanaian society was characterized by nationalist and anti-colonial feeling and required only the mobilization by an effective leadership group to unite and direct energies towards the emancipation and decolonization of the country. The Christiansborg riots were sparked after a British police officer, Imray, opened fire on a peaceful demonstration of ex-servicemen on February 28, 1948 killing sergeant Adjetei and corporal Attipoe, both ex-servicemen. The ex-servicemen were members of the veterans faction of the politicised organisations. Political reaction to the incident demonstrated the degree of disenchantment to the colonial system and with those it favoured.

By March 1, 1948, anti-colonial feeling had spread throughout the country. British, Syrian, Lebanese and other foreign businessmen, considered favoured by the colonial system, were assaulted in the streets. Stores of the United Africa Company (UAC) and the Union Trading Company (UTC) were looted and burnt.

The riots were followed by strikes in the mines, transportation strikes and the boycott of foreign goods and shops. The boycott of foreign goods and shops was a clear indication that Ghanaians might do without them, if necessary, in pursuit of nationalist objectives. The situation was an opportunity for the start of a nationalist struggle for independence that might have led to a genuine process of decolonization. It constituted a signal for the Ghanaian political elite and the UGCC, in particular, to organize the masses for the achievement of nationalist aspirations of genuine decolonization of Ghana but that opportunity was lost. Because the riots were not organised and only the ex-servicemen's faction took part in the initial demonstration, the spirit of nationalism that was generated became short-lived.

In addition, the behaviour of the UGCC after the riots exposed its weakness, especially the disunity among its leaders. Although it did not organise the riots, its leaders decided to capitalise on the riots to their political advantage. But there was no unity of action. The lack of unity of action was in itself a reflection of the absence of clear lines of responsibility within the UGCC and the power struggle within

it. On February 29, 1948, both Dr. J B Danquah, the Vice-President and Dr. Nkrumah, the Secretary General, sent separate telegrams to the Secretary of State for the Colonies. Danquah's letter suggested that political power be handed to the Working Committee of the UGCC as an interim government to save the country from an "inept Government indifferent to the sufferings of the governed".¹³ Nkrumah's telegram, on the other hand, requested that a British Commission be sent to supervise elections for a constituent assembly and was copied to the New York Times, the United Nations, Mr. Willy Gallacher- the reputed communist MP from Glasgow, the London Daily Worker, and Moscow's New Times. Apparently, Nkrumah sought a wider circulation for the news of the uprising. By sending two separate letters with different intentions, Nkrumah and Danquah exposed the UGCC to the British as a divided and not a well organised movement.

In furtherance of their interests, the British deemed it to their advantage to keep the UGCC divided by any political strategy possible. Because Nkrumah had sent copies of his telegram to communist organizations, the chosen strategy was to brand Nkrumah as communist to isolate him from the UGCC, which the British perceived to be anti-communist. The strategy which conformed to the British agenda of preventing the enlargement of the socialist bloc was calculated to serve two purposes. The UGCC might become divided and become weaker politically and ideologically; secondly, the isolation of Nkrumah was expected to rid the UGCC of any socialist or radically minded politicians leaving only moderates or reactionaries. In both cases, the UGCC might become weaker and easier to be dominated.

THE WATSON COMMISSION AS AN INSTRUMENT OF DISUNITY

In keeping with this strategy, a Commission set up by the governor, Sir Gerald Creasy, (the

¹³Colonial office, Report of the Commission of Inquiry into Disturbances in the Gold Coast (Watson Report), HMSO, London, pg. 95.

Watson Commission) in its findings accused Nkrumah of capitalising on the legitimate economic grievances of the people of the Gold Coast to establish a Union of West African Soviet Socialist Republics. Definitely, there was no relationship between Nkrumah's telegram and this particular accusation. In addition, the Report stated:

Mr. Nkrumah boldly proposes a programme which is all too familiar to those who have studied the techniques of those who have fallen to the victims of communist enslavement.¹⁴

But initially the Report had the opposite effect. To the politicized groups of Ghanaian society, colonial rule was the same enslavement but with another name. To the masses, the shout of communism was some kind of strange noise which they did not understand. As was explained earlier, European political ideologies had little meaning in the Ghanaian environment. The UGCC became more popular as the leading nationalist organisation with Nkrumah as the most popular hero among its leaders. The membership of the UGCC increased dramatically. The situation of growing popularity and membership was another opportunity window that became opened for the UGCC to mobilise the Ghanaian masses to create a strong nationalist coalition, but it failed again to do so and rather succumbed to the divide and rule tactics of the strategists of the Colonial Government.

As Nkrumah's popularity continued to grow, the Colonial Government as well as some jealous members of the UGCC leadership became disturbed. In addition, the communist propaganda against Nkrumah, intensified by the strategists of the Colonial Government, with time began to have the desired effect of casting some doubts in the minds of certain UGCC leaders about the intentions of Nkrumah. This was not surprising since the UGCC derived its support from the wealthy section of the Ghanaian business community, traditional rulers, and wealthy land owning farmers who were anti-communist.

The ideological division of the Ghanaian political elite began. They had forgotten their own ideology, the ideology of consensual democracy, and had allowed themselves to be suspicious of one

¹⁴Watson Report, op. cit., pg. 95.

another on the basis of foreign ideologies propounded within the historical, cultural, political and economic environments of Europe and which had little applicability to Ghana.

THE COUSSEY COMMITTEE AS A MONUMENT OF PARTISAN DIVISIONISM

Capitalising upon the growing division among the UGCC leaders, the Colonial Government organised a commission on constitutional reform - the Coussey Constitutional Committee - with a calculated strategy of isolating Nkrumah whilst at the same time recognising the UGCC as a legitimate nationalist organisation and respecting all leading politicians of Ghana except Nkrumah. Hence, all known leading politicians of Ghana including the UGCC leadership were invited except Nkrumah.

The Coussey Constitutional committee stands out as a historical monument reminiscent of the initiation of Ghana into alien party politics. It is the confluence at which Ghanaian political waters became divided into differing streams based upon party politics. In addition to the establishment of the CMB, Ghana's political and subsequent economic crisis may be traced back to the Coussey Committee and the tactical action phase of the Nkrumah regime that germinated out of it as explained later.

Because of the petty jealousies and disunity within the UGCC, the leadership neither queried the Colonial Government why their Secretary General had been excluded from the committee nor attempted to put any pressure on the British or the Colonial government for his inclusion. Naturally, Nkrumah felt betrayed and forsaken by the UGCC. He concluded that he could no longer be the Secretary General of an organisation which did not consider its own Secretary General important enough to be a participant in a constitutional committee, the historical importance of which might not be denied.

In addition, Nkrumah decided to form his own political party and he was encouraged in that stance by his awareness of the existence of the politicised groups within Ghanaian society whom the UGCC had failed to mobilise or draw to its side. In deciding to form a political party, however, Nkrumah contributed

in setting Ghana on a political course alien to Ghanaian culture - the party system of government. It will be explained below that the party system of government is unsuitable for Ghana, a major factor contributing to the inability of Ghanaians to build an effective nationalist coalition, and an underlying factor to Ghana's economic crisis. In other words, the introduction of party politics simultaneously introduced a politico-cultural causatenser that undermined all efforts to establish the pre-conditions for successful economic development.

THE NOTION OF "ENEMY" IN THE PARTY SYSTEM OF GOVERNMENT

Central to the inappropriateness of the party system of government in Ghana is the notion of 'enemy' for any person or group that does not belong to, opposed to ideas, aspirations, or the policies of a party. Because in the traditional form of government, the concept of an opposition member did not exist and the only opposition to the collegial decisions endorsed by the 'King' of the tribe could come only from external enemies, there is a natural tendency on the part of Ghanaians to associate the concept of opposition with enemy. Furthermore, the word 'opposition' may be translated into the local vernaculars to mean or connote 'enemy'. For example, the word 'opposition' may be translated into the Ga language (the language spoken in Accra, the capital city of Ghana) as mei-ni-ke-wo-yee (those who do not like us) or mei-ni-ke-wo-wuo le (those at war with us) or wohenyeloi-le (our enemies). It is translated into the other vernaculars in the same manner. The psychological impact of such interpretation or translations on the political behaviour of Ghanaians is not very conducive to coalition building.

One effect of this notion of enemy for opposition or member of another party is the tendency to regard any attempt to continue the policies, programs, or projects of a former government of another party, accept the constructive suggestions of the members of another party, or co-operate with the members of another party as a defeatist attitude, a sign of weakness or as treacherous behaviour. By setting Ghana on

the course of the party system of government, the Ghanaian political elite set the nation on a course of political enmity and disunity to be characterised by discontinuity in government, non-co-operation and violence.

And this dangerous political path was further fuelled by the decision of Nkrumah to organise those groups in Ghanaian society who were at conflict with both the UGCC and the indirect rule chiefs as the basis of his new political party, the Convention Peoples Party (CPP), which was founded on June 12, 1949 in Accra.

THE FORMATIVE STRUCTURE OF THE CONVENTION PEOPLES PARTY

Nkrumah decided to take advantage of the mounting intra-elite struggle and employed some clever tactics to achieve his objectives. Initially, Nkrumah did not attempt to mobilise the politicised trade unionists, the youth organisations, the study groups, the veterans, the unorganised agricultural workers, the independent small farm holders, the fishermen, or the artisans whom the elitist UGCC had neglected in the political process. He knew that these groups were so radical in their socialist orientation that it might be difficult for the reactionary UGCC to win them over. His political strategy was to capture the dynamic generation of lower educated echelons before the UGCC could do so and organise them into a political elite in opposition to the UGCC. As the former Secretary General of the UGCC, he was aware that these lower echelon elites did not like the membership structure of the UGCC and its alliance with the indirect-rule chiefs. Their background helps to explain their attitude.

The lower echelon educated elites were of a lower social status than the members of the UGCC and indirect-rule chiefs alliance. By profession, they were storekeepers, petty-traders, clerks and primary school teachers who were more exposed to the general public. As explained earlier, they were popularly called the 'young-men'. In relation to the UGCC and chiefs, alliance they were counter-elites. They

wanted revolutionary changes to the status quo and they had several grievances against the alliance.

Because of the elitist attitude of the alliance, these lower echelons were excluded from the membership of the Legislative Council. In addition, the reliance of the chiefs on the British for economic gains had cost them the respect and support of the lower echelons. They were no longer willing to obey the traditional laws and customs of chiefs whom they regarded as corrupt and stooges of the British.

The petty-traders within this group, in particular, resented the grant of trading monopolies to the chiefs by the British as part of the British process of creating a Ghanaian ruling elite. The competition by the chiefs for trading capital angered the petty-traders who saw the chiefs as greedy fellows who, in spite of their enormous gains from the control of traditional lands and monopoly rights in trading, were interested in the lower status job of petty trading as well.

The conservatives within this lower echelon group, as a whole, were against the chiefs for violating the pre-colonial norms of traditional rule. They regarded the engagement of the chiefs in trading as a disgrace to the legitimate institution of chieftaincy and were active in preferring destoolment charges against the chiefs. The state of affairs was summarised by Reginald Saloway, the Colonial Secretary, in the following words:

We had to make the chiefs who were liable to destoolment by their people into agents of an alien government. Such agents were powerless against the nationalist agitators who stirred up the militant young men among whom respect for traditional authority was already waning.¹⁵

The group had other conflicts with the UGCC alliance. The petty-traders were in conflict with the wealthy UGCC members and supporters on the basis of competition for trading capital in which membership of the Legislative Council accorded the alliance some clout and influence. As a group, the lower echelons, were against the willingness of the alliance to accept reforming changes that accommodated British political power and economic interests. Being more nationalist in orientation, they wanted radical changes to the colonial system of government which they perceived to be exploitative, discriminative and

¹⁵Reginald Saloway, "The New Gold Coast", International Affairs, October, 1955.

unjust. As an illustration of this type of intra-elite conflict, Dennis Austin reported a typical confrontation between the lower echelons and the UGCC Committee of Management in the Bekwai area:

Relations between the young men and the Committee of Management grew more strained.... The more nationalist young men in the Bekwai area looked on the members of the committee of Management as "aristocrats" who were over friendly with the District Commissioner and the local European manager of the United Africa Company. They were also suspicious of any alliance with those in authority.¹⁶

Certainly, a combination of radical nationalism and the notion of "enemy" for those who belonged to or associated with the other camp was at work. To the young men, the white District Commissioner as well as the white representative of a foreign company were all agents of colonialism, an enemy, which they hated and expected all Ghanaians to hate. They saw colonialism as a racially discriminative system in which better qualified blacks served under less qualified whites who were appointed District Commissioners and managers over Africans.

Hence, by capturing these young men and using them as the basis of his party, Nkrumah laid the foundation for a collision course with the UGCC. In so doing, he rejected the course of amicable settlement of differences with his peers, helping to cure the UGCC of its elitist ills, absorption of the other politicised groups to form a strong nationalist coalition that might have organized the masses to achieve the desired political and economic ambitions. Instead, a competitive stage became set to determine which of these parties might assume control of the Legislative Assembly and win the honour of leading Ghana to political independence. The struggle for the attainment of this honour became a waste of elite manpower, created more problems for coalition building, reinforced the uncompromising behaviour of the CPP, the UGCC and other parties which sprang up later in opposition to the CPP, and determined the character of the independence struggle with disastrous economic, political and social consequences.

To be the one to lead the country to independence, Nkrumah recognised the need to broaden the base of his party by inviting the participation of the politicised groups in the country. Because the lower

¹⁶Dennis Austin, Politics in Ghana, 1964. Oxford University Press pg. 100.

educated echelons were of the same social status as the politicised groups, it was relatively easier for the CPP to win them over to its side through the young men. Also, being in more direct contact with the general public, the young men and the politicised groups were able to sway the masses to the side of the CPP. But, in spite of this massive support and contrary to the expectation of his followers, Nkrumah refrained from taking a radical stand both politically and economically. His political tactics became conditioned by the political tactics adopted by the UGCC in the partisan competition for power. This was reflected in the first manifesto of the CPP which was more compromising and rhetorical than assertive.

THE FIRST MANIFESTO OF THE CPP

The first manifesto of the CPP was a compromise between the reactionary position of the UGCC and the radical position which Nkrumah and his followers had wished earlier. The composition of the Coussey Committee taught Nkrumah that the British were determined to co-operate only with Ghanaians who were willing to dance to the tune of British political music and satisfy British interests. His 'enemy', the UGCC, had committed itself to the concessions of the Coussey Committee which his followers detested. He became aware that a radical course demanded by his followers would not attract the co-operation of the British. The British might put stumbling blocks in the way of the CPP, delay independence unduly, or create conditions which might be more favourable to the UGCC.

Nkrumah recognised the political monster that he and the UGCC had created jointly. A destructive competition had begun in the political arena. By failing to create a united coalition, neither the CPP nor the UGCC could take a true nationalist stand against British interests. But rather than seek a united front with the UGCC, Nkrumah decided to take a compromising position of appearing to be more militant than the UGCC to satisfy his followers while at the same time abiding by the requirements of the colonial rules of the game to appease the British.

However, abiding by the colonial rules of the game required that statements about class struggles,

indicative of communist convictions, be avoided; there should be no resort to armed conflict and no talk about independence outside the sterling area since these would be against the political and economic interests of Britain. It was in compliance with this strategy that the first six-point manifesto of the CPP did not reflect a radical attitude. It read:

- (1) To fight relentlessly by all constitutional means for the achievement of "self-government now for" for the chiefs and people of the Gold Coast.
- (2) To serve as the vigorous conscious political vanguard for removing all forms of oppression and for the establishment of a democratic government.
- (3) To secure and maintain the complete unity of the chiefs and people of the Colony, Ashanti, Northern Territories and the Trans-Volta.
- (4) To work in the interest of the trade union movement in the country for better conditions of employment.
- (5) To work for a proper reconstruction of a better Gold Coast in which the people shall have the right to live and govern themselves as free people.
- (6) To assist and facilitate in any way possible the realisation of a united and self-governing West Africa.¹⁷

There was nothing in the manifesto which was radically different from the aspirations of the UGCC except the rhetoric of "self-government now" contrasted with the "self-government within the shortest possible time" of the UGCC. Thus, the competition between the two parties compelled Nkrumah and his CPP to abandon the process of decolonization and to follow a course of struggle for independence within economic and political structures conducive to British interests. By compromising the need for radical changes to the economic structures during the independence struggle, the march towards the present economic crisis continued unabated with the CMB as the chief instrument.

¹⁷Nkrumah, Ghana, op. cit., pg. 103.

As explained earlier, the transformation of the Ghanaian economy into a mono-crop cocoa economy laid the foundations of Ghana's economic crisis. The establishment of the CMB started the march to the economic crisis and the Coussey Committee was the starting point of Ghana's march into a political crises that became a catalyst to the economic crises.

Encouraged by the split within the Ghanaian independence movement, the British strategists took a stronger position on the Coussey Committee. In spite of the decision by the CPP to abide by the colonial rules of the game and the willingness of the UGCC to accept token concessions from the British, the Coussey Committee Report was disappointing to both the CPP and the UGCC.

THE COUSSEY COMMITTEE REPORT

The Coussey Committee Report afforded the CPP and the UGCC another chance to sink their differences to form a strong and united nationalist front against the British, but the notion of compromise with the "enemy" being a defeatist attitude prevented them from doing so. The report, published in October 1949, proposed an executive council comprising of three ex-officio ministers and eight representative ministers and a nationally elected assembly. The assembly was to be unicameral with two-thirds of the members elected by popular vote and one-third elected by a territorial council of chiefs. But more disappointing to both the UGCC and the CPP was the provision that retained the "reserve powers" of the Governor, the symbol of colonialism and British power. It meant that sovereign power was still vested in the Governor.

Nkrumah attacked the report in strong terms as bogus and fraudulent and as a "Trojan Horse". He spoke of the need for "positive action" by which Nkrumah meant in his own words:

The adoption of all legitimate and constitutional means by which we could attack the forces of imperialism in the country. The weapons were legitimate political agitation, newspaper and educational campaigns, and, as a last resort, the constitutional application of strikes, boycotts, and non-co-operation based on the principle of absolute non-violence

as used by Gandhi.¹⁸

POSITIVE ACTION AND COALITION BUILDING

On December 15, 1949, Nkrumah gave the Colonial Government two weeks to accept the demands of the CPP for "self-government now" and told a huge rally in Accra to get ready for positive action.¹⁹ The Trade Union Congress began to agitate for a general strike. In the cities the masses, who now supported the CPP in large numbers, prepared to boycott European stores in the same way they did during the Christiansborg riots.

Partly because their "enemies" had taken a radical stand and partly because the UGCC leadership were participants in the discussions of the Commission, the UGCC took a moderate stand. Although the UGCC members were opposed to both the retention of the reserve powers of the Governor and the inclusion of the ex-officio members on the executive, they did not resign in protest. Furthermore, because the chiefs were in alliance with the UGCC, the UGCC considered the provision that two-thirds of the membership of the assembly be elected by a territorial council of chiefs to be an advantageous lead over the CPP. Hoping to continue to be in the good books of the Colonial Government, the UGCC leaders expressed their opposition to the report in a minority report only. The effect of the behaviour of the UGCC was to make Nkrumah ambivalent in his positive action drive.

Nkrumah's ambivalence was evident from the CPP newspaper, the Evening News. The paper published twice that positive action might be postponed followed by another publication in which Nkrumah called it off altogether. The ambivalence, in turn, confused the CPP followers. But the CPP leadership, determined to be seen by the public as the only party representative of the nationalist aspirations of the

¹⁸Nkrumah, Ghana, op. cit., pp. 111-112.

¹⁹Evening News (Accra), December 16, 1949.

people, put so much pressure on Nkrumah to proceed with positive action that he yielded, and positive action was declared on January, 1950. However, because of the confusion created by Nkrumah's ambivalence, the strike was not organized properly and the whole positive action was a total failure.

Partly because the failure of positive action demonstrated lack of solidarity among the CPP supporters, and partly because the UGCC did not throw its weight behind the positive action campaign, the Colonial Government felt confident enough to arrest all known prominent members of the CPP and TUC and prefer charges against them. Charges included sedition, coercing the Government, and agitating an illegal strike. The inability on the part of the Ghanaian political elite to forge a strong and united coalition under one leader had once again given the Colonial Government an advantage over the nationalist forces.

The trial which followed exposed the weakness of the CPP coalition and the lack of solidarity among its leaders even further. It revealed to British strategists that the CPP leadership did not possess the political will necessary for genuine decolonization. Instead of defending their political convictions boldly, the CPP leaders, except Nkrumah, decided to save their own skins by claiming innocence in various ways. For example, Dzenkle Dzewu, a member of the Central Committee of the CPP lied by arguing that he did not understand the meaning of "positive action".³⁰ Hutton-Mills, one of the few lawyers who had identified with the CPP, told a lie when he argued that although he knew what positive action meant, he was surprised when it was declared on January 8, 1950. On the whole, only Nkrumah admitted his involvement in the positive action campaign. Nkrumah was sentenced to three concurrent one year jail terms. Other leaders of the CPP and the TUC were given sentences ranging down to four months.

But the arrest and jailing of the CPP and TUC leaders may be seen in the broader context as part of the political strategy by the Colonial Government to entrench a preferred reactionary political group in power. British political strategy favoured the UGCC and the indirect-rule chiefs alliance. There were

³⁰ Bob Fitch and Mary Oppenheimer, Ghana: End of an Illusion, 1966, Oxford University Press p. 30.

impending municipal elections in Accra within two months which the Colonial Government wanted the UGCC to win. With the CPP leaders in prison, it was expected that the campaign might be one-sided and in favour of the UGCC. The UGCC leaders were very delighted to see their "enemies" in prison. Because of the notion of enemy, they preferred the friendship of the colonizers to love for their fellow compatriots who belonged to a different party.

However, the treatment of the CPP leaders had an opposite effect on the public to what the British and the UGCC had expected. Nkrumah and his CPP supporters were hailed as the genuine nationalists and as living martyrs who were being victimised by the British in collusion with the UGCC. Support for the CPP grew and spread. Other CPP activists who had not been jailed intensified the campaign combining it with an effective organisation which ensured that their supporters were registered and got to the polls. To the surprise of the British and the shock of the elitist UGCC, the CPP won every seat in the municipal elections with large margins. The British, at this point in time, became convinced that Nkrumah and his CPP were popular with the masses. They had no other choice but to change their political strategy into wooing Nkrumah and the CPP through tactical co-operation. Thus, Sir Charles Arden-Clarke, the governor at the time, commented:

Nkrumah and his party had the mass of the people behind them and there was no other party with appreciable public support to which one could turn. Without Nkrumah, the constitution would be still born and if nothing came out of all the hopes, aspirations and concrete proposals for a greater measure of self-government, there would no longer be any faith in the good intentions of the British Government and the Gold Coast would be plunged into disorders, violence and bloodshed.²¹

SUPERIORITY OF BRITISH STRATEGY VERSUS GHANAIAI COALITION BUILDING

Fortunately, for Nkrumah as well as the British, the jail sentences of Nkrumah did not exceed one

²¹Arden-Clarke, African Affairs, January 1958. Cited in Austin, Politics in Ghana, op. cit, p. 150.

year and by law, any imprisonment for one year or less did not disqualify a person from registration on the electoral roll. There was an impending election to the Legislative Assembly. Arden-Clarke decided to use this loophole in the law to woo Nkrumah and it worked out very well. He allowed Nkrumah to run for office whilst in prison. In addition, prison officials were instructed to help Nkrumah process his registration papers and to pay the required election deposit for the 1951 elections to the Legislative Assembly. Nkrumah acknowledges this kind gesture towards him:

My forms were completed and submitted to the authorities a few minutes before registration period closed and the campaign committee got to work on my behalf.²²

Thus, while the UGCC rejoiced over the imprisonment of Nkrumah, the same Governor who had him imprisoned was extending kind gestures to woo him. Secretly, the clever British Strategists had replaced the UGCC with the CPP as their allies; the UGCC was unaware of the dramatic shift in British policy. The new British strategic alliance with the CPP worked remarkably for British interests. The British political strategists were more experienced and more cunning than the Ghanaian political elites. The kind gestures of the British strategists had the desired effect of convincing Nkrumah that the UGCC was a worse enemy than the British colonialists and of influencing Nkrumah's later political behaviour which, in turn, affected the economic policies of his government.

Nkrumah's behaviour towards the British from the time the British strategists favoured him through the governor became one of friendship and partnership. On February 10, 1951 the CPP won 34 out of the 38 popularly contested seats to the Legislative Assembly. On February 12, Nkrumah was released from prison. He came out of prison determined to regard the British as his friends and to teach the UGCC leadership that if they were prepared to behave as stooges in order to win British favour, he was prepared to play that game better. As will be explained later, it was in playing this political game of winning the support and co-operation of the British that Nkrumah and his CPP government went too far

²²Nkrumah, *op. cit.*, pg. 133.

to the detriment of the economy.

But Nkrumah did not hide his newly won friendship with the British for long. At his first press conference after his release, Nkrumah declared his stand as a friend of the British with the words:

I would like to make it absolutely clear that I am a friend of Britain ... I want for the Gold Coast Dominion status within the British Commonwealth. I am no communist and never have been, and I stand for no discrimination against any race or individual.²³

In addition, Nkrumah surprised his followers by deciding to give the Coussey Commission Report a chance to work and to adopt a policy of "tactical action" whereby the CPP would work through the established channels of the British colonial system to liberate Ghana from colonial rule. The policy of 'tactical action' meant that there would be no confrontation with the British and no radical changes to the economic and political structures established by the colonial government. In other words, the process of decolonization was to be abandoned during the process of independence which was to be given on British terms. Ghana's march towards economic crisis continued unabated.

But the election victory was the opening of another opportunity for Nkrumah to invite the UGCC to the table to suppress their differences in the greater interest of the country and to form a strong and united nationalist coalition for genuine decolonization. Surprisingly, Nkrumah and his CPP leadership preferred the friendship of the British who imprisoned them to winning the co-operation and friendship of the UGCC members, his compatriots, who had similar nationalist aspirations but belonged to a different party. They regarded the UGCC as political enemies who can never be trusted.

This failure to forge a strong and united coalition was a great political cost which became translated into a very serious economic cost later. The CPP leadership had very little training or experience in public affairs. Those Ghanaians who had the required qualifications and competence to help Nkrumah run a government were almost all in the UGCC which lost the elections. Thus, the alien party system divided the Ghanaian political elite in such a way that political power went into the hands of those

²³West Africa, February 17, 1951.

who were unqualified and inexperienced. Those who were qualified and competent were regarded by the victors as enemies who could never be trusted. The Colonial Secretary Reginald Saloway deplored the situation with the following words:

There was no alternative government to the CPP, none of whom had any training in public affairs. We had to build anew with what was there, a crowd of agitators as our material.²⁴

TACTICAL ACTION AS AN INSTRUMENT OF POLITICAL AND ECONOMIC STAGNATION

From the point of declaration of 'tactical action' onward, time itself became an ally of the forces of political and economic stagnation in Ghana. Ghana entered a vicious cycle of political and economic crisis characterised by discontinuity in government, economic decline, political discontentment and frustration in which the political elite were not able to define and sustain any coherent and nationalist economic policies. Details of the political and economic impact of tactical action are explained below.

Tactical action which included the decision to give the Coussey Commission Report a chance to work, surprised and infuriated the more militant and nationalist minded people within the CPP, particularly, the leaders of the trade unions who had expected a more radical approach from Nkrumah to break the colonial chains of economic and political dependence. They perceived, and later events confirmed their perception, that the CPP was compromising the economic future of Ghana for worthless political gains. This was buttressed by Nkrumah's famous adage "Seek ye first the political kingdom and all other things will be added unto you." The spirit of nationalism that animated the CPP coalition began to wane. That the implementation of tactical action ran in contrast to nationalist ambitions was summarised by Bob Fitch

²⁴Cited in Bob Fitch and Mary Oppenheimer, *op. cit.*, p. 36.

and Mary Oppenheimer in the following words:

The mother country still controlled the police and the army; the Colonial Governor retained his "reserve powers" ; British bureaucrats held most of the senior positions in the civil service; British stockholders owned the gold mines; over 90 per cent of the import-export trade was controlled by 13 foreign trading companies (the firms); the yearly budgets were prepared back in London by the Colonial Office.

Yet the most obvious instrument of foreign economic control - the one which had the most long-lasting and destructive effects on the Ghanaian economy - was a government agency on which the CPP dutifully served. This was the Cocoa Marketing Board.²³

The militant nationalists saw 'tactical action' as a perpetuation of the colonial relationship and feared that the political course which Nkrumah had taken might lead to nominal independence without proper decolonization - the nationalist ambition. They were very bitter against the Cocoa Marketing Board (CMB), in particular, not so much for its extraction of surplus, but for the use to which the surplus was put. Appreciation of why the nationalists were so bitter against the CMB demands some knowledge about how the CMB came to be established, how it was operated, and who were the winners and the losers.

THE COCOA MARKETING BOARD

The CMB was established by the British Labour Government in 1948 as part of the British strategy in compelling its remaining colonies to transfer their surpluses to London to support the ailing pound after the Second World War. Britain was then facing serious balance of payments problems due partly to its heavy borrowing to finance the war and partly to import requirements for its postwar reconstruction. Marketing Boards were established in the colonies to supplement the aid that Britain received through the Marshal Plan. The Cocoa Marketing Board of Ghana (hereafter referred to as the CMB) was one of these marketing organizations.

²³Ibid., pg. 38

The operation of the CMB was essentially an attempt by Britain to control the marketplace to its advantage. At that time, it looked as though the efficient free hand of the market, which the International Monetary Fund (IMF), the World Bank and monetarists preach to developing countries today, had either become sick or amputated to justify the British abandonment of the market theory of value to control of the marketplace. Also, the mutual benefit claim of the economists appeared to be quiet in a coffin.

But the British strategists presented an entirely different picture of the CMB to Ghanaians. It was presented as if the primary purpose was a genuine intention on the part of the colonial government to insulate the cocoa farmers from the vagaries of the international market and to develop Ghana. Thus, the domestic price of cocoa was set lower than the world price ostensibly for the purpose of creating a reserve fund which could be put to various important ends. These important ends included providing a source for stabilizing the cocoa producers' income; as a means of combating inflation by draining the excess purchasing power; and a means to provide savings which could be used for economic development. The CMB was to accumulate the difference between the world price and the domestic price for these purposes.

In practice, however, the British were the winners and Ghanaians the losers. The accumulated surplus was not used fully for the purposes that Ghanaians were led to believe. It was used mainly to satisfy British economic interests. The greater part of the surplus was siphoned to Britain where it was held as sterling balances. The sterling balances were invested in very low interest yielding British securities - "0.5 percent before 1950; 2 to 4 percent after 1952."²⁶ Thus, through the CMB, Ghana was stealthily compelled by the British strategists to lend money to Britain at a very low interest rate determined by the borrower, Britain. (It might be interesting to learn that since the economic crisis of Ghana began, it has not been so easy for Ghana to borrow from Britain, and the interest rates on whatever Ghana has been able to borrow have not been determined by Ghana, the borrower, but by Britain, the lender)

In addition, because Ghana sold large amounts of cocoa to the United States, it was able to supply

²⁶[*ibid.*, pg. 44.

Britain with substantial amounts of dollars needed for Britain's economic reconstruction. Ghana's contribution to providing Britain with her needed capital is estimated to be "larger than that of any other country except Malaya" in appreciation of which the former Colonial Secretary, Arthur Creech Jones remarked "I think we should be conscious of the very substantial contribution which the Gold Coast has made to the Sterling Area."²⁷ (It is interesting, again, to learn that Britain has not as yet volunteered to be Ghana's largest supplier of dollars for her recovery from the economic crisis.)

WHY THE CPP MAINTAINED THE SIPHONING RELATIONSHIP

The CPP leadership had some selfish interest in the continuation of the siphoning of surplus from Ghana. Because of the competition between the CPP and the UGCC for British favour stemming from the inability of the Ghanaian political elite to form a strong and united coalition, Nkrumah and the moderates within the CPP thought it wise to maintain the siphoning off relationship even though it was detrimental to the economy of Ghana.

As explained earlier, Nkrumah had learnt from the experience of the Coussey Commission that if he was not prepared to abide by the colonial rules of the game, the British who were the real holders of the levers of political power could put difficulties on the road to independence and might even use their levers of power in favour of the UGCC. Lessons drawn from his arrest after the positive action campaign, the denials by his CPP colleagues at the trials of any involvement in that campaign, and his subsequent imprisonment without any organized resistance convinced him that, in spite of their radical stance, the CPP leadership was not sufficiently prepared for any meaningful confrontation with the British. He also learnt from experience that Britain was not prepared to grant the kind of independence to Ghana that would mean

²⁷*Ibid.*, pg. 45.

decolonization in which British interests might be jeopardized. Continuation with the colonial economic relations was seen as an effective CPP tactical means of courting the favour of the British, accelerating the independence process and, therefore, an indispensable part of the policy of tactical action. In short, the CPP government was prepared to sacrifice, for a time, the economy of Ghana in order to achieve independence: the political kingdom was first with everything else deemed secondary.

TACTICAL ACTION AND THE GHANAIAN ECONOMY

The economy of Ghana suffered adversely as a consequence of the policy of tactical action. As the CMB continued to siphon off cocoa surplus to Britain to maintain the pound so was Ghana deprived of the opportunity of using that surplus to diversify its economy and thereby embark on the cherished road to economic independence. The CMB contributed to the building of reserves in London at a time when Ghana needed investment to restructure and diversify its economy and save itself from its mono-crop cocoa economy so vulnerable to fluctuations in the price of cocoa on the world market (Table 1). In addition, during the pre-independence CPP rule, Ghana was permitted to retain only a meagre percentage compared to the value of its exports to the dollar area (Table 2).

The siphoning of cocoa surplus to Britain undermined the nationalist hope of building an infrastructure vital to Ghana's economic development. It reinforced and continued the colonial process of preventing the development of an indigenous group of big business entrepreneurs who might have engaged in import substitution industrialisation leading to production for export similar to the historical example of South Korea. It prevented the CPP government from spearheading any industrialisation in areas where indigenous entrepreneurs were not available.

TABLE 1

**THE COCOA MARKETING BOARD AND GHANAIAN RESERVES IN LONDON
(MILLIONS OF POUNDS)**

YEAR	Total CMB Proceeds	Paid to Cocoa Producers	Total Ghanaian Reserves
1948	41.5	15.4	n/a
1949	37.5	21.2	n/a
1950	45.1	21.2	113.3
1951	70.3	34.2	137.2
1952	51.6	31.4	145.1
1953	57.1	32.5	160.1
1954	74.7	28.0	197.4
1955	77.5	29.5	208.2
1956	52.3	35.0	189.8
1957	50.7	39.9	171.4

Source: Bob Fitch and Mary Oppenheimer, *Ghana: The end of an illusion*, p. 45.

These data illustrate the milking of Ghana by Britain during the pre-independence tactical action phase - a product of the inability of the Ghanaian political elite to submerge their differences in order to build a strong and united nationalist coalition (Tables 1 and 2). As noted earlier, because of internal dissension and the subsequent competition to win British favour and the credit for being the party that won independence for Ghana, the CPP government compromised Ghana's economic future. Indeed, independence was not freely won. Through the policy of tactical action, the CPP government might be said to have purchased independence from Britain by sacrificing the economic future of Ghana at a time most conducive and appropriate for Ghana to lay the foundations for its economy in a manner similar to the historical example of Malaysia.

Table 2

GHANAIAN DOLLAR ALLOCATIONS 1951-1954

YEAR	Value of Ghanaian Exports to dollar Area (in Pounds)	Per Cent Allocated to Ghana (%)
1951	30,047,000	17
1952	25,539,000	18
1953	25,407,000	21
1954	20,009,000	16

Source: Bob Fitch and Mary Oppenheimer, pg. 46.

As will be explained below, the policy of tactical action sacrificed not only the economic future of Ghana but also contributed to the intensification of partisan politics. The tactical action phase created problems for coalition building within the CPP and blocked almost all chances for coalition building by the political elite as a whole during this period. It contributed immensely to deprive the Ghanaian political elite as a whole and the CPP, in particular, of the opportunity of establishing the political pre-requisites for successful economic development.

TACTICAL ACTION AND COALITION

BUILDING WITHIN THE CPP

The policy of tactical action divided and weakened the CPP coalition. Because of the perpetuation of the colonial economic relations of siphoning off surplus to Britain, the militants within the TUC became divided on their relationship with the CPP. Many of the lesser educated echelons and their TUC peers began to play a lesser role in the CPP activities. There was an attempt by the group to form a Labour Party but because of Nkrumah's prevailing popularity, the idea was dropped. It became difficult for the same people who had used political propaganda to make Nkrumah popular to convince the public that he was not seeking the public interest after all. Some TUC leaders such as Pohee Biney and Anthony Woode

thought it safe to contest elections under the CPP label.

The more militant nationalist agitators who would not compromise their positions and continued to oppose tactical action from within both the TUC and the CPP were branded communists and expelled from the CPP. Apparently, the expulsions were intended to demonstrate to the British how anti-communist the CPP and Nkrumah were so as to win British confidence and accelerate the process of independence. However, the expulsions provided other lessons. It revealed how easily populism might be translated into dictatorship and how dangerous it might become in a party system for Ghana. As tactical action proceeded, more people within the TUC and the lower educated echelon groups lost confidence in the CPP and were either expelled from the party or quit.

But in spite of the exodus from the party, Nkrumah and the CPP moderates did not back away from the policy of tactical action. Instead, the CPP attempted to compensate for its loss of support by winning the support of the large population of creditor cocoa farmers of Ghana through a patronage instrument, the Cocoa Purchasing Company (CPC) which the CPP government established in 1952. However, although the strategy worked to strengthen the base of the CPP among the creditor cocoa farmers, it proved detrimental to national coalition building by alienating the indigenous cocoa brokers and the wealthy cocoa farmers of the Ashanti region.

THE COCOA PURCHASING COMPANY AND COALITION BUILDING

The operation of the CPC which was established as a subsidiary of the government owned CMB was characterised by political corruption and manipulation by the CPP. The official objectives of the company were:

- (1) ... furthering or promoting the interests and objects of the Gold Coast Marketing Board, to purchase, store, export, sell or otherwise deal in cocoa.

- (2) To purchase cocoa, make advances or loans to assist persons to purchase cocoa, and to do all things for and in connection with the purchase of cocoa.²⁸

Because of the inability of the political elite to form a united coalition and thus engendering partisan politics, the official objectives were not pursued in good faith. Although the CPC was supposed to be a government owned institution, in practice, it was operated under CPP control and as a CPP financing instrument. A relevant question that may be asked is: Why did the CPP leadership decide to use the CPC as a source of financing their party rather than in furthering economic development? The answer resides in the introduction of the not well understood alien political competition. The UGCC had changed its name to Ghana Congress Party (GCP), hereafter referred to as GCP, and was being financed by the wealthy cocoa farmers and businessmen. At the same time, the erosion of the popular base of the CPP meant loss of votes as well as monetary contributions. Nkrumah's answer to these problems was the CPC. That the CPP controlled the CPC was made explicit by Mr. Krobo Edusei in the Legislative Assembly:

The CPC is the product of a master brain, Dr. Kwame Nkrumah, and it is the atomic bomb of the Convention Peoples Party. As honourable members, the Prime Minister in his statements to the CPP told his party members that organisation decided everything and the CPC is part of the organisation of the Convention Peoples Party.²⁹

Krobo Edusei's statement may be analyzed in relation to the indigenous political culture which it reflects. In the indigenous political culture, organisation decided everything. There was a government organisation - a college of elites with collective leadership and responsibility without a Parliamentary opposition. The ruling college of elites made all final decisions which were duly stamped by the head of state. The CPP represented this ruling college of elites; the government was, therefore, the same as the CPP. It was a demonstration that the party system of government, which was not well understood, was being confused with the indigenous political culture. But because of partisan politics and the subsequent

²⁸Gold Coast, Commission of Inquiry into the affairs of the CPC Ltd., (Jibowu Commission), Report, 1956, pg. 17.

²⁹Ibid., passim.

need to finance party activities, the CPC was misused by the CPP.

In its operations, the CPC began to compete with the indigenous cocoa brokers many of whom had been ardent supporters and financiers of the CPP. Many of these cocoa brokers were either expelled from the CPP for opposing the CPC idea or were compelled to quit in protest. Because the expulsion from an organisation for expressing one's views was alien to the Ghanaian culture (which encouraged free expression of views as part of the process of consensus building), it had the effect of weakening the CPP coalition by inducing others within the party to quit or become less active. Extended family and interest group cleavages acted as catalysts to accelerate the loss of support for the CPP.

Also, the CPC competed with the rich cocoa farmers who earned a major part of their income as sources of agricultural credit. The competition forestalled any chance of these farmers accepting an invitation by the CPP to form a strong nationalist coalition or deciding on their own to recognise the CPP as the legitimate nationalist organisation seeking the interests of the people. The CPC granted loans at such a low level of interest as to force the rich farmers out of the competition. It was a calculated strategy by the CPP to weaken the financial base of the GCP while at the same time strengthening its own through making the CPP more popular to the greater majority of the cocoa farming community whose farms were of small scale type and were not rich.

In furtherance of this strategy, the grant of loans by the CPC was made conditional. To qualify to sell cocoa to the CPC or to obtain a loan from it, a farmer had to be a member of the United Ghana Farmers Council (UGFC), another CPP organisation. In order to obtain loans to pay their debts and invest in farming, the small scale cocoa farmers (the majority of the cocoa farming community) rushed to join the UGFC and, hence, the CPP in great numbers.

But whilst the CPP was attracting the support of the poor farmers, it was at the same time losing the support of the rich farmers and the lower educated echelons and their peers. The GCP, encouraged by the exodus of the cocoa brokers, some TUC members and some members of the lower educated echelon groups from the CPP to join its ranks, and the general indignation of the rich farmers against the

CPP, was very vocal in its attacks on the policy of tactical action and the manner in which the CPC operated. It felt confident that Ghanaians would listen to reason to shift the mantle of political leadership from the CPP to the GCP at the political market place. The GCP was aware of how influential the lower educated echelons and their peers were on the public and how they had, in the past, turned the political climate in favour of the CPP. It was confident that the same group might be able to turn the political climate against their forsaken CPP. Thus, a statement by the GCP on May 12, 1952 read:

Congress will show the country the right way. It will meet the CPP squarely and defeat it ... We cannot sit down and allow our country to be run and ruined by men who think of themselves only and who compromise principles without the least compunction ... Of course the Congress means business. We cannot allow this fooling and thieving to go on any longer or else we are all doomed. The great array of intellectual giants behind the party, the response of chiefs and farmers and the joy and support of the thinking man at the birth of Congress convince us of the shock of the new party. This Ghana must be saved from a one party evil, the evil of dictatorship.³⁰

Apparently, the GCP, blinded by the ideology of party politics, failed to recognise that the danger did not lie in the domination of the political arena by one party but in the alien institution of the party system itself which was not compatible with Ghanaian culture. They were shocked by the results of the 1954 general elections.

The CPP employed a very crude political strategy to win the elections. In order to win support for the CPP from the small scale cocoa farmers, in particular, and from other major sectors of Ghanaian society, CPC advances were increased by over 450 percent³¹ to facilitate vote buying. In this way, partisan politics, arising from the disunity among the Ghanaian elite compelled the CPP government to divert resources from economic development to political competition. The CPP won 72 out of the 104 seats, 32 seats went to independent candidates and GCP won only one seat. The election victory of the CPP meant that partisan politics succeeded once again in placing the politically and administratively incompetent

³⁰Daily Echo (Accra), May, 1952. Cited in Austin, op. cit., p. 182.

³¹Jibowu Commission, op. cit., p. 41

in power. But worst of all, the election victory encouraged the Nkrumah and the CPP to stick to the tactical action strategy which maintained the colonial structure of siphoning the economic surplus to Britain instead of being put to economic development in Ghana. Political developments in reaction to the continuation of the policy of tactical action had the effect of dividing the Ghanaian political elite even more.

CONTINUATION OF TACTICAL ACTION AND COALITION BUILDING

Because of the policy of tactical action, the CPP failed to win the support of sections of the professional- commercial groups in society. Some from this group had lamented the unfruitful competition between the CPP and UGCC which tore the political elite apart and the subsequent deviation from Ghanaian culture, but were watching the political scene very closely with the hope that political unity would be achieved one day. However, as tactical action proceeded, more people from the group joined the GCP in entertaining the fears that the British were prepared to turn the country over to people who had not been trained adequately to rule. Their fears were substantiated by the 1953 decision of the CPP government to bypass renowned Ghanaian economists such as De Graft Johnson in favour of Arthur Lewis as the government's economic adviser. Although Australia was noted for its ill-treatment of the dark skinned Aborigines (and Ghana was against racists everywhere), the government employed no other person but an Australian, Sir Robert Jackson, as its adviser on development planning. Although Sir Arthur Lewis was black, he was not regarded as a black nationalist committed to the ideals of decolonization.

Ghanaians had expected a true nationalist government to put an end to the colonial relation of siphoning off surplus from Ghana; assume control of the banking system to make credit available to indigenous Ghanaians; invest massively in appropriate and profitable economic development projects; and to prefer qualified indigenous Ghanaians as advisers on economic and development planning issues. Instead, they were disappointed to see the situation under CPP rule as one in which indigenous timber

merchants, building contractors, and small scale manufacturers, found it difficult comparatively to obtain adequate credit to expand their operations and to compete with foreign companies. An opposition parliamentarian, expressing the disappointment of the commercial-professional group, stated on February 14, 1957:

We all know that foreign traders are dominating the commercial field in this country, and are gradually displacing African traders because the financial position of the African traders is weak. In the timber industry, for instance, Syrian, Lebanese, and other commercial firms have been able to come together and have succeeded in raising loans from the foreign commercial banks with which to start business operation as their working capital. On the contrary, even though small African traders may come together for the purpose of trading, they usually do not succeed in getting credit facilities from the foreign commercial banks.³²

Several factors might be attributed to the inability of indigenous Ghanaians to obtain adequate funds.

FACTORS AFFECTING CREDIT

The most potent factor that affected the availability of funds was the draining of capital from Ghana through the CMB. The second factor was the reluctance on the part of the United Africa Company, the largest source of capital in British West Africa, and other foreign firms to finance Africans whom they perceived as potential competitors in the future. They were willing to finance only Ghanaians who operated as retailers of imported goods or buyers of crops for them to export during the peak seasons. Their financing strategy was geared principally towards preventing the indigenous people from becoming direct agents of the CMB or wholesale importers.

The third major factor was the complete closure of the banks to grant credit to indigenous people. Various suspicious excuses were given by the Bank of West Africa and the Barclays Bank DCO, the two most important banks which were also foreign owned, for refusing to lend to the African. These excuses included narrow minded arguments such as the complexity of the extended Ghanaian family relations, and

³²Gold Coast Legislative Assembly, Debates, February 14, 1957.

the inability of Africans to pass all their transactions through the banks making it difficult to assess the financial position of the African. The same problems were not associated with Europeans or other non-Africans.³³

These excuses were given as a mask to cover the fact that the banks were not in Ghana to lend money but to siphon off their surplus generated through banking services to Britain. In furtherance of the surplus siphoning off process, the service charges of the banks were the highest in the Commonwealth and their activities were restricted to the small import-export firms who could afford the high service charges. They were aided in the process by the pegging of the local pound to the British pound on a one-to-one basis, and its direct exchangeability with the British pound. The banks were able to take Ghanaian pounds out of the country and change them into British pounds thereby deflating the Ghanaian economy. An opposition member from the commercial professional group expressed indignation against the banking system during the debate on the Central Bank Bill:

If we are going to have a Central Bank, we must have a Central Bank with teeth and not a Central Bank which is a channel for controlling the financial assets of this country by a foreign power.³⁴

The commercial-professional group blamed the persistence of the dismal credit situation on the CPP government but they were unable to recognise the fundamental problem. As the earlier statistical analysis on the perception of Ghanaians revealed, Ghanaian elites failed to perceive a strong association between economic performance in the Ghanaian arena and conformity with the indigenous political culture. Blinded by their own Anglophilia of partisan politics, they could not see that the fundamental problem was not the CPP government per se but the unsuitability of the party system of government which had divided Ghana, set the country on a path of destructive competition in the political arena and placed power in the hands of those incapable of ruling. Although many of them might have read about the thesis of Attah

³³P. T. Bauer, West African Trade, 1963, Augustus M. Kelley, New York, pg. 183.

³⁴Gold Coast, Legislative Assembly, Debates, February 5, 1957.

Ahuma that an indispensable condition for "National Resurrection and National Prosperity" was the ability of the Ghanaian elite to rid themselves of foreign "accretions and excrescences", they failed in large part to apply that thesis in the realm of politics. Many of them might have read about the success of the ARPS in preventing the British from trespassing aboriginal rights, but they failed to realise that the ARPS was successful primarily because it was a united, encompassing and strong coalition under one leadership supported by a central college in accordance with Ghanaian culture.

Their indignation against the CPP was fuelled further by what was happening in the mining and manufacturing sectors and how these affected the economy adversely under tactical action.

TACTICAL ACTION AND THE MINING SECTOR

The commercial-professional strata resented not only the ownership of the mines by foreigners but also how the requirements of the mines determined the layout of the transportation infrastructure and the national wage structure. Although railway lines passed through some cocoa growing areas, they were constructed primarily to link the mines and the ports. Furthermore, because gold mining was very vulnerable to rising labour costs, the mine owners lobbied the government constantly for the minimum wage to be kept low to enable them to obtain large profit margins. For example, although the Ashanti Gold fields obtained increasing profits consistently of between 35 to 50 percent, the real wages of mine workers did not rise.³⁵ In turn, the low wages prevented the growth of demand for consumer goods and hence the development of manufacturing industry. The commercial-professional strata had expected the CPP government to take appropriate measures to change the situation in favour of Ghanaians, but under tactical action it was perpetuated.

³⁵Robert Szereszewski, "Performance of the economy, 1955-1962" in a Study of Contemporary Ghana, volume 1, 1966, Allen and Unwin p. 62.

TACTICAL ACTION AND THE MANUFACTURING SECTOR

The commercial-professional strata were embittered by the stagnant condition of the industrial sector during the tactical action phase. The manufacturing sector had remained minuscule. Foreign investors made little effort to exploit the consumer market in Ghana by establishing manufacturing industries. Also, the foreign firms which controlled the import trade considered any growth of manufacturing industry by indigenous Ghanaians as a threat to their import lines and manoeuvred to undermine it. Any true nationalist government might have been expected to embark on policies to expand the manufacturing sector and ensure its control by competent Ghanaians. But, under tactical action, the CPP government was seen to be condoning, conniving and acting in the interest of the foreign firms. Even a CPP back bencher expressed his indignation at a typical manoeuvre by the expatriate alliance as follows:

The government told us sometime ago that the Industrial Development Corporation was going to establish a soap factory. All that the Corporation did was to buy somebody's soap factory at Korley Gonno for about 10,000 pounds. Now we learn a certain engineer was coming to establish a 1 million pound soap factory for the UAC at Tema. Are we to allow foreigners to set up factories which we have the facilities to establish ourselves? Whenever we suggest that certain industries should be established in the country, some expatriate higher-ups cleverly turn them down. They do so on the ground that the industry would not be economic simply because they want their friends to come and establish them.³⁶

The Industrial Development Corporation referred to was government owned. The expatriate higher-ups referred to were the British officers who still controlled the civil service under the obnoxious policy of tactical action. These expatriates used their positions to discourage the government from engaging in the manufacturing industry even in areas where Ghanaian entrepreneurs did not have adequate resources to invest. They co-operated with the foreign firms to ensure that even the little investment in manufacturing remained in foreign hands. Because the CPP government did not want any confrontation with the British,

³⁶Gold Coast, Legislative Assembly, Debates, January 21 1957.

it retained these officers and complied with their advice to the detriment of the economy.

The commercial-professional group was very vocal in their criticism of the continued exploitative relationship, but did not succeed in convincing and winning the support of the majority of the Ghanaian population who had the voting power and had been magnetised either by Nkrumah's popularity or by the low interest loans of the CPC. The brains of Ghana and the politically competent were on the side of the GCP but the masses who determined, through the ballot box, who might rule was on the side of the CPP. In the indigenous consensual culture, this dismal situation might not have arisen. All major sections of the community might have been represented at the college. Because of the absence of determination through the ballot box, the brains of the nation might have been included in the government and not excluded or frustrated through alienation.

In their frustration, the commercial-professional group began to develop attitudes of counter-elitism -- the belief that the status quo was unacceptable and needed a radical rather than a reforming change.

THE DEVELOPMENT OF COUNTER-ELITISM

Because the GCP accepted the fundamental assumptions of the political system except for their disappointment at the polls, counter-elites thought it wise to form new political parties or movements to express their opposition to the status quo. Political parties and movements with tribal, secessionist, and religious undertones proliferated in opposition to the CPP. These parties and movements were all waiting for the opening of an opportunity window to initiate a drastic change to the status quo. But the proliferation of political parties rather encouraged the CPP government to adhere to the policy of tactical action and to align itself more closely to the British.

Thus, threatened by the proliferation of political parties and movements, the CPP government thought it safe and wise to strengthen its relationship with Britain through an increase in cocoa surplus.

In 1954, the CPP government, in order to increase the cocoa surplus, decided to freeze the producer price of cocoa at a time when the world price of cocoa had risen from 237 pounds sterling per ton in 1953 to 467 pounds sterling per ton in 1954. The data in Killick's study indicate that the freeze on the producer price of cocoa was instituted at a point in time when the price of cocoa was at its best (Table 3).

The freeze on the cocoa price provided the opportunity window that some of the counter elites were waiting for. Counter-elites in Ashanti and the Trans-Volta Togoland, who resented the situation in which surplus extraction from their respective areas was not accompanied by any appreciable amount of development projects, seized the opportunity to agitate for secession of their respective areas from the rest of Ghana.

In Ashanti, groups of counter-elites came together to form the National Liberation Movement (NLM) which held its first meeting on October 4, 1954. Amidst the beating of traditional drums, the singing of Ashanti war songs, they shouted the slogans "Ye ate yen ho" and "Mate me ho". "Ye ate yen ho" means "We have separated ourselves", and "Mate me ho" means "I have separated myself". The shouting of these slogans confirmed the primary intention of the NLM, that was, secession from the rest of Ghana. The singing of Ashanti war songs was reminiscent of the glorious past of the Ashanti nation when in their great numbers, they subdued the other less populated tribes of Ghana. It was intended to incite Ashanti nationalism. Moreover, because the NLM justified its secessionist intentions by citing the freeze on the cocoa price, it drew immediate support from the chiefs and farmers of Ashanti who owned cocoa land.

Wishing the downfall of the CPP, the GCP threw its weight behind the NLM although they were opposed to secession and preferred federalism as a better political strategy and a more effective check on Nkrumah's popularity and the danger of dictatorship.

Table 3

Prices and Volumes of Cocoa Exports 1950-1962

YEAR	WORLD PRICE PER TON	WORLD PRODUCTION IN THOUSANDS OF TONS	GHANAIAN EXPORTS IN THOUSANDS OF TONS	GHANAIAN COCOA EARNINGS IN MILLIONS OF POUNDS
1950	208	752	267	54.6
1951	285	801	230	60.3
1952	301	642	212	52.5
1953	237	796	237	56.1
1954	467	774	214	84.6
1955	302	798	206	65.6
1956	221	840	234	51.1
1957	247	893	260	50.9
1958	352	767	197	62.3
1959	285	905	250	68.8
1960	226	1041	303	66.4
1962	170	1216	421	67.0

Source: Tonny Killick, "External Trade", in A Study of Contemporary Ghana, pp345, 348.

Later, the GCP was successful in using its peer connections to convince the NLM to drop the secessionist idea to join the GCP in the political strategy of communist-labelling the CPP. Because the Colonial Government had communist-labelled Nkrumah earlier through the Watson Report, the GCP had expected the strategy to create some doubt and mistrust of Nkrumah in the minds of the British and to disrupt the alliance between them. The NLM acceptance of this political strategy was reflected in its subsequent memorandum dated October 19, 1954. The memorandum explained that the cocoa issue was

only a facet of a larger problem which it identified as communist dictatorship.³⁷ In furtherance of this labelling strategy, Joe Appiah, a leading member of the NLM stated publicly that the statue of Nkrumah at Accra was evidence of:

what happened in some Iron Curtain countries We know these things because many of us in the opposition have been fortunate to travel around Europe and that is why we can discern communism as soon as we see the slightest sign of it.³⁸

Instead of challenging the CPP on the familiar Ghanaian ideology of consensual democracy, the GCP and NLM alliance appealed to Ghanaians to reject the CPP on the grounds of the alien ideology of communism which the majority of Ghanaians did not understand. The alliance thought it might forge a stronger coalition by calling upon Ghanaians to reject what they had neither understood nor previously experienced.

But the NLM and GCP alliance failed to develop an effective coalition that could defeat the CPP at the polls and turn economic policies around in the interest of Ghana. The communist-labelling had little effect. Moreover, because the NLM was more committed to Ashanti nationalism, it contented itself with a propaganda that appealed to Ashanti symbols such as the name of the Asantehene (the title of the Ashanti king), and the historical Golden Stool of Ashanti (the traditional throne of the Ashanti king). These symbols had meaning in the Ashanti area only. While such symbols were means of building a strong Ashanti coalition, they had the counter-productive effect of dividing Ghana on tribal lines and undermined the formation of a strong nationalist coalition to replace the CPP government. Because, in the past, the Ashantis waged war on almost all the tribes of Ghana, other tribes considered the revival of Ashanti nationalism by the NLM as a dangerous repetition of history in which they might have no peace but war. This suspicion of other tribes undermined support for the NLM and GCP alliance.

³⁷NLM memorandum, October 19, 1954, cited in Austin, *Politics*, op. cit., page 264.

³⁸*Daily Graphic*, June 11, 1957.

Moreover, the NLM considered it the natural and patriotic duty of every rank and file of the Ashanti tribe to support it and, therefore, made no serious effort to organise the Ashanti masses. Also, the NLM was as elitist as the GCP and the former UGCC. It was very sceptical about any politicization or participation of the masses in politics. Mr Cobina Kessie, one of the NLM leaders expressed the elitist attitude of the NLM as follows:

When the masses act on their own, they do so in one way, for they have no other way: they lynch. It is not altogether by chance that Mr. Nkrumah himself preached "direct action" or "positive action" against a previous government. For lynch law comes from America, the paradise of the masses, and Nkrumah was educated in America.³⁹

Kessie's statement illustrates another form of fission among the Ghanaian political elite with those trained in Britain assuming some measure of superiority over those trained in America, a relic of colonial mentality.

Because of its elitist attitude, the NLM was unable to recapture the majority of the Ashanti population, the small-scale farmers, whom the CPP had captured earlier through the grant of loans by the CPC. Hence, the CPP continued to be strong at the grassroots and to perpetuate the colonial economic relations of siphoning off surplus to Britain with impunity.

However, the NLM and GCP alliance was very vocal in its indignation against the continued colonial relations as exemplified in statements by John Tsiboe, editor of the NLM controlled Ashanti Pioneer and Dr. K A Busia, leader of the Parliamentary Opposition. John Tsiboe said:

The British are using the CPP in the same way they once used the chiefs. The present government is for British interests; it's the same situation with the chiefs in reverse.⁴⁰

Dr. Busia also complained bitterly to Sir Charles Arden-Clark, the Governor:

The British here care nothing for our people; they are concerned with their political power which enables them to defend their financial interests. They sided with the CPP

³⁹Ashanti Pioneer, January 26, 1955.

⁴⁰Wright, Black Power, op. cit, page 275

in order to protect those interests it's that simple.⁴¹

At the same time, the NLM and GCP alliance put pressure on the British government for a federal form of government in which the NLM hoped to have a greater say in the resources of Ashanti and the GCP hoped to save Ghana from dictatorship arising from populism and from the colonial economic relations. They proposed a federal constitution the preamble of which read:

The peoples of these territories, belonging as they do to different tribes, have different structures of society and are at different stages of adaptation to Western culture.... There is not enough consciousness of national identity to make possible, easy and at the same time democratic unitary government. In the absence of this consciousness, the safest course is to ensure that not all the powers of government are concentrated at the centre but a substantial part of them is retained in the component territories where people have learnt the habits and attitudes of living together for some time.⁴²

The preamble suggests a recognition in principle by the alliance that Ghanaians had not found it easy adapting to Western political culture. It is a pointer to the unsuitability of an alien political culture to the Ghanaian situation. Instead of suggesting the application of Ghanaian political culture to the solution of Ghana's political problems, the alliance missed the boat and proposed another form of alien political culture in the form of federalism.

But whilst the NLM was active in the Ashanti region, counter-elites in the Trans-Volta Togoland came together to form the Togo Congress (TC) and demanded complete separation from Ghana to join French Togoland where the cocoa price was being subsidised above the world market price by the French government.

⁴¹Ibid.

⁴²Austin, Politics in Ghana, op. cit., p. 277.

THE TOGO CONGRESS

That indignation against the siphoning off surplus through the CMB was the basic justification for the formation of the Togo Congress was expressed through their representatives in the Legislative Assembly. Mr. M K Apaloo, a leading member of the Togo Congress, said in the Legislative Assembly:

Even our own native customs have a more humane system of sharing produce between the landlord and the tenant. Under the "abusa" system a tenant works the land and the landlord takes only one third, but in our system even though the land belongs to the farmer and the government is, as it were, a trustee of the farmer, we are calling upon him to surrender two thirds of what is due to him every year.⁴³

Apaloo argued that what the farmers needed was not loans from the CPC, but higher cocoa prices to enable them to enjoy a better standard of living. Thus, he stated:

These people want the money and instead of our giving the money to them we have taken the money and we tell them "we will give you loans". I am saying: do not give them loans, give them their money so that they can buy building materials for their own buildings with their own money.⁴⁴

Kodzo Ayeke, another member of the TC, argued that although the cocoa growing area of Trans-Volta Togoland constituted less than five percent of the Gold Coast population, it contributed almost 30 per cent of cocoa revenue. In spite of such an enormous contribution, and after 40 years of British administration of the area as part of the Gold Coast under the mandate of the United Nations, "not one mile of road has been tarred" in Togoland compared to the over 4,000 miles of tarred road in the Gold Coast at that time.⁴⁵

Evidently using the freeze on cocoa price as the opportunity for a secessionist ambition, the counter-elites in Trans-Volta Togoland were reacting against the excessive extraction of surplus (under both

⁴³Gold Coast, Legislative Assembly, Debates, August 12, 1955, page 342.

⁴⁴ Ibid.

⁴⁵Gold Coast, Legislative Assembly, Debates, March 1, 1955.

colonial rule and the policy of tactical action) without any justifiable amount of development.

In addition to voicing their indignation in the Legislative Assembly, the TC organised massive smuggling of cocoa across the border into French Togoland where it sold for over 200 percent the equivalent price in Ghana. Through this smuggling, Ghana lost much potential revenue. Furthermore, the process of smuggling was emulated in other border areas and it became very difficult and expensive for subsequent governments of Ghana to put a stop to it.

It might be important to note that the practice of cocoa smuggling away from Ghana began as a reaction to the CMB and became intensive during the tactical action phase at the border areas including the Togo border.

Unlike the NLM, although the TC co-operated with the GCP and the NLM in opposing the policies of the CPP government, it did not yield to pressure from its peers in the GCP to drop its secessionist stance in exchange for a federation. However, both the TC and the NLM resorted to political violence as part of their political strategy. Thus, alien party politics assumed a violent character that undermined the very principles of democracy based upon freedom of expression and freedom of choice expressed through the ballot box. The CPP government was compelled to respond.

THE CPP RESPONSE

The CPP response fell short of any attempt to build a strong coalition through political education, organisation or agitation of the masses. As the NLM and the TC became more popular in their respective areas as evidenced by their victories in some by-elections in Ashanti and Trans-Volta Togoland, Nkrumah decided to negotiate the constitutional issue of devolution with the NLM and the TC instead of intensifying organisational efforts to mobilise the landless agricultural workers, small-scale farmers, and the TUC into a stronger coalition and forsaking the policy of tactical action.

But because of the notion and taboo of co-operation with an enemy, the NLM and the TC were

uncompromising in their stance on federation and secession respectively. Yielding to pressure from the prevailing political violence, Nkrumah requested the Colonial Secretary to appoint a constitutional adviser on the problem of devolution. The appointed Adviser, Sir Frederick Bourne, recommended a unitary form of government subject to a general election which he expected the NLM and the TC to lose. The strategy was to use the ballot box to discourage any secessionist attempt by the NLM and the TC which might have deprived the British of its potential revenue.

THE GENERAL ELECTIONS AND COALITION BUILDING

The ensuing political competition for votes divided Ghana even further. Whilst the TC and the NLM resorted to appeals to sentiments of local nationalism in their respective areas, the CPP exploited rivalries between chiefdoms and localities to advantage. For example, in exchange for votes from the Brongs and the Ahafos, the CPP promised the creation of a separate region to be carved out of the Ashanti region thereby weakening the Ashanti nation. The campaign was also characterised by vote-buying by both sides and sowing of seeds of disunity or divide and rule tactics.

The sowing of the seeds of discord by the CPP is illustrated by the following extract:

We made it an issue that it was a fight between the Chianas and the Pagas. We will not like the Chianas to be paramount over us. We would have to walk to Chiana for court cases and pay our levies to them; we made it known that if we allow the Chianas to win, that means Chiana-pio would be paramount and would dictate to our chief in Paga.

Owing to this news the whole of Paga went haywire. Enthusiastic representatives from all sections volunteered to help Paga win the election so that we might not become servants to the Chianas but masters of our own.⁴⁶

This quite illustrates how national unity was compromised for the sake of votes and another pointer to the unsuitability of partisan politics for Ghana. In addition, funds were diverted from productive economic

⁴⁶Austin, Politics in Ghana, op. cit., page 360.

development to unproductive vote-buying by both sides as illustrated by the following extract:

We slept in the town for two days and at night called on the headman and explained what (the CPP candidate) was trying to do, tipped them heavily, gave out cola and drinks, ie, spirits and clothes, etc. Before leaving....., we left two of our men and a native who helped us a great deal; we gave them about five pounds each for canvassing ie, buy cola and tipping them, etc. We spent heavily in this constituency. The other side also spent heavily. In one case, a headman who was supporting us turned later to be our enemy. We understood the other side gave him about 40 pounds cash as he was a popular man in the area and having many subjects under his command.⁴⁷

The extract shows that neither the CPF nor the opposition were strong mass-based coalitions, and hence the attempt by each side to out-bribe the other. What type of democracy was this? What kind of fair elections were taking place in Ghana? Does democracy really mean the power to bribe and buy votes? Are democratic principles compatible with the policy of tactical action, a complete sell-out of a nation's economic future by a party for political gain? It might be undeniable that the alien ballot box politics introduced, encouraged and intensified political corruption in Ghana. Certainly, this kind of democracy might best be described as a demonstration of craziness. What happens when gas oil is substituted for petrol in a petrol engine? The engine goes crazy and performance drops sharply. What happens when a person is injected with a drug to which he is allergic? That person's health goes crazy. In the same manner, when alien party politics was substituted for the indigenous political culture of Ghana, the political engine of Ghana went crazy. When Ghana was injected with a dose of the western style of democracy, it experienced a politico-cultural allergy and its health went crazy in both the political and economic spheres.

In the political pot of Ghana, the western style of democracy became translated into 'democracy' (demonstration of craziness). It is a misnomer to refer to a government that exhibits democracy as democratic or as a polyarchy. At the same time, because the English have never been subjected to the Ghanaian kind of politico-cultural confusion, pure English vocabulary might be inadequate to provide the appropriate concept. A combination of African and English words might be more suggestive and

⁴⁷*Ibid.*, page 361.

appropriate. Fortunately, the Ga word for a totally confused state of mind in which a person or group of persons resorts to detrimental and irrational acts is "lu". When a group exhibits the symptoms of "lu" they are described as "amelu" ("ame" means "they"). It is, therefore, more appropriate to refer to this type of government as "amelucracy" and its characteristics as "amelucratic".

Ghanaian society, in general, became confused and apathetic about the meaning of democracy. In spite of the heavy expenses by all sides, the election was characterised by apathy indicative of the extent of loss of confidence by the public in the political elite as a whole. The CPP won only 55 percent of the total votes cast. Because of apathy, however, this proportion represented only 32 per cent of the registered electorate and only 16.5 per cent of those eligible to register.⁴Events after the elections exposed how divided the Ghanaian political elite was and the extent to which national interest was compromised under partisan politics.

EVIDENCE OF ELITE DISUNITY AFTER THE ELECTIONS

Having won the elections, Nkrumah introduced a motion in the Legislative Assembly that called for independence. The reaction of the Opposition to the motion was very disappointing. The Opposition walked out in protest and from there on adopted an anti-nationalist position and acted to delay independence while at the same time pressing for a federal constitution. The same Opposition which had adopted a strong nationalist position earlier by criticising the way the CPP served foreign rather than Ghanaian interests; had demanded that the CPP government bring the British banks under the control of a Ghanaian banking system; had opposed the policy of the CPP government in giving the United States too much control over the Volta River Project; and had fought for increased outlays for industrial development, now

⁴Bob Fitch and Mary Oppenheimer, *op. cit.*, p. 75.

began to argue that Ghana was not sufficiently mature for independence and to advocate an extension of British rule.

Furthermore, the Opposition began to make some anti-nationalist concessions to the British to court favour. Surprisingly, they argued for the retention of the British national anthem as the national anthem of Ghana; for the head of Queen Elizabeth to be on Ghana's currency and postage stamps; and deploring the removal of the Governor-General from Christiansborg Castle in favour of Nkrumah. They went to the extent of accusing the CPP government of sedition and treason for acting against the interests of the British crown.⁴⁹

Disunity within the political elite was exemplified further by the announcement by the NLM in November 1956 of its intention to secede and an appeal for a partition commissioner to divide the assets of the Gold Coast. Also, in Trans-Volta Togoland the desire to secede by violent means prevailed. Two days before independence, secessionist violence broke out in Togoland.

But why did the elite of Ghana fail to recognize that the root cause of politico-economic problematic was the blind emulation of alien political culture incompatible with the Ghanaian environment? As explained earlier in part one in the statistical analysis, the misfit between the elite and the alien political culture emulated within the Ghanaian environment is first transformed into a politico-cultural causatenser. This causatenser operates in such a manner that its effect appears to arise from other variables acting in the environment. Therefore, the root cause was hidden from the perception of the elite. The resultant democracy was, therefore, only a reflection of the operation of the causatenser. The causatenser operated in such manner that the elite did not even perceive that they were suffering from democracy and, hence, did not look for a proper cure for the ailment.

⁴⁹Times, London, June 11, 1957.

SUMMARY

The behaviour of the Ghanaian elite and its effect on the Ghanaian economy confirm the following: the Ghanaian political elite failed to forge a united and encompassing coalition compatible with the indigenous consensual culture to achieve the political prerequisites for successful economic development; that unlike elites of a previous era the Ghanaian elites of the period failed to mobilize the masses to resist the establishment of the Cocoa Marketing Board (CMB) by the British; that the alien party politics adopted by the elites was inappropriate because of the concept of 'enemy'; that alien party politics divided the elite into two camps and placed political power in the hands of the camp that was incompetent to rule; that in the political competition that ensued, Nkrumah and the CPP leadership adopted a policy of tactical action during which the economy of Ghana was deflated seriously and principally through the CMB, and secondarily through the foreign owned firms and the foreign owned banks; that siphoning off surplus away from Ghana deprived Ghana of the opportunity to invest in development projects to restructure the economy; that Ghana's independence might not be said to have been won free but purchased from Britain by the CPP government through the policy of tactical action; and that the Ghanaian elite failed to realize that the root cause of the political and economic problems was alien party politics.

In short, the Ghanaian political elite failed to act like the Roman god, Janus, with one face pointing to the glorious past and the other face pointing to the desired future to draw upon the indigenous culture and the experience of the ARPS and other elite coalitions of a previous era to shape the destiny of the nation. Although the UGCC began as a single independence movement, its elitist attitude prevented the formation of an encompassing coalition in accordance with Ghanaian culture. Later, it allowed itself to be divided on ideological grounds through the Coussey Committee's isolation of Nkrumah.

The subsequent introduction of party politics served to divide Ghanaians even further. It divided the independence movement into two groups with the more educated, qualified and competent to rule group

belonging to the UGCC (which was unsuccessful at the ballot box) and the less educated and incompetent to rule belonging to the CPP (which won the elections). Partisan politics and its associated competition to court British favour resulted in the adoption of the policy of tactical action. Under tactical action, cocoa surpluses were continuously siphoned off to Britain and invested in post-war reconstruction projects there at very low interest rates instead of being invested in economic development projects in Ghana; the British banks continued to refuse credit to Ghanaian entrepreneurs and to siphon off their surpluses generated through service charges to London to deflate the Ghanaian economy; foreigners continued to own the mines, and their interests continued to dictate the level of minimum wage and the nature of the transportation infrastructure; and the manufacturing sector continued to be minuscule and stagnant.

The policy of tactical action was resisted both from within the CPP and by patriotic Ghanaians outside it but the CPP would not renege. Subsequently, Ghana was thrown into a process of political crisis and economic stagnation. Blinded by the embracing of western political culture, the political elite failed to realise that the fundamental problem was not tactical action per se, but the unsuitability of alien party politics to the Ghanaian cultural environment. They failed to recognise that the alien Western political culture of representative democracy had been translated, in the Ghanaian political environment, not to mean an indirect rule of the common people (demos), but a demonstration of craziness (democracy) in both the political and economic arenas.

Indignation against the policy of tactical action led to the weakening of the CPP coalition and the development of counter-elitism with tribal and secessionist undertones waiting for an opportunity window. The freeze on the producer price of cocoa in 1954 at a time when the world market price was at its best provided the desired opportunity window. The NLM and the TC were formed by counter-elites in the Ashanti and Trans-Volta Togoland respectively with secessionist or federalist motives in opposing independence.

It has been explained that the elite was unable to perceive that the politico-economic problematic originated from a misfit arising out of the alien political culture they emulated blindly and the Ghanaian

environment in which they operated. The misfit was first transformed into a politico-cultural causlatenser which diverted the attention of the elite to the apparent but not the real causes and prevented them from perceiving that they were suffering from the destructive disease of democracy. Because it might be inappropriate to refer to the type of government that emerged as democratic or a polyarchy, and because English concepts are inadequate to provide the correct description, the concept "amelucracy" was coined to refer to that type of government with "amelucratic" as its characteristic.

Ghanaians paid for this situation by enduring economic stagnation, and by the inability of the political elite to form a strong and united coalition. Within the period, the British and the foreign firms were undoubtedly the winners and Ghanaians the losers.

In the chapters of part five which follow, I will outline how, during the post-independence period successive, politico-cultural causlatensers continued to perpetuate democracy and various forms of amelucracy resulting in continuous deepening of the economic crisis.

PART FIVE

CHAPTER SIX

HISTORICAL ANALYSIS:

THE POST-INDEPENDENCE NKRUMAH ERA

The preceding chapter discussed the blind emulation of alien political culture and its translation in the Ghanaian political environment as democrazy. Because of the actions of a politico-cultural caustatenser, the elites were unable to perceive that the politico-economic problematic arose from the misfit within the Ghanaian environment, between them and the alien political culture they emulated. It was explained that the resulting type of government might not be referred to as a polyarchy or a liberal democracy, but a type which English concepts might not be able to describe adequately. The concept "amelucracy", derived partly from the Ga word "amelu", was coined to define that type of confused government and "amelucratic" to define its characteristics. Ghanaians paid with economic stagnation, and the inability of the elite to form a strong, consensual, and encompassing coalition. In this chapter, it will be explained that because of the inability of the Ghanaian elite to diagnose the politico-cultural caustatenser as the root cause of the problem, amelucracy and democrazy were perpetuated resulting in further deepening of the economic crisis.

The post-independence Nkrumah era witnessed a further confirmation of the main arguments put forward in the previous chapter. As the statistical analysis of the perception of Ghanaians indicated, the elite made a mistake of not perceiving a strong association between the performance of the economy and the emulation of an alien political culture. As a consequence, the mistakes of the past were repeated. The elites continued to allow partisan politics and foreign ideologies to divide them and, in so doing, failed to achieve the political pre-requisites for successful development. Also, surplus, which might have been invested to restructure the economy, continued to be siphoned away, wages of workers continued to be low as unemployment, and prices of goods increased resulting in stagflation. As a consequence, the economy

continued to be vulnerable to fluctuations in the world market price of cocoa. Moreover, because of elite disunity and resentment against the CMB, Ghana began the post-independence era with a most difficult political crisis.

The immediate challenge of the post-independence Nkrumah regime was how to deal with the secessionist uprising in Trans-Volta Togoland, one of the monsters which the blind emulation of alien partisan politics had created. The uprising was crushed very quickly. Troops and police were rushed to the area "and by March 18th more than 20 people had been killed or injured and nearly one hundred Ewes had been seized, tried, and sentenced to imprisonment"⁵⁰. In addition, leading members of the Togo Congress including S G Antor and Kodzo Ayeke (both members of Parliament) were jailed for their complicity in the organisation of the secessionist plot. But opposition to the policies of the CPP government continued to grow and to spread to other areas of the country. The trend of affairs became translated into a substantial economic cost in the form of military expansion.

The experience of the Togo uprising made the CPP government overly sensitive to security. For security reasons, economic resources were diverted to the expansion of the military and paramilitary apparatuses. For example, although there was no external threat to Ghana's security, the government had to spend heavily to build and equip the newly established air force and navy. Obviously, the strategic importance of the military expansion was to scare the opposition forces from any acts of violence. But lagging industries in Europe took advantage of the military expansion drive to saddle Ghana with debt through a system of suppliers credit. Once again, disunity among the Ghanaian political elite introduced a channel for deflating the Ghanaian economy.

But the diversion of resources to State security might be analyzed in the larger context of violation of the indigenous consensual culture by the Ghanaian elite. In the indigenous political culture, because of the voluntary participation of all able bodies in the military and para-military organizations, and the

⁵⁰Bob Fitch and Mary Oppenheimer, *op. cit.*, page 78.

underlying dissuasive principle, security was better assured and the problem of heavy expenditure on regular military service did not arise. By violating the indigenous culture, it became necessary to have comparatively large regular military and para-military organizations. Moreover, centrifugal forces arising from the alien partisan politics and the policy of tactical action necessitated the expansion of the security forces to contain the internal threat. Thus, non-compliance with the norms of the indigenous political culture was at the root of both the economic and political problems. As explained in the previous chapter, the consequence of non-compliance with the norms of the indigenous political culture, through the introduction of an alien political culture, is a practice of amelucracy, with democracy in both the economic and political spheres.

The elite, however, continued not to associate the economic problem with their own disunity. As the economic situation became worse, opposition to the CPP increased and coalition building on a national basis, as well as within the CPP alliance, became more difficult to achieve.

As noted earlier in the preceding chapter, the stagnation in economic development resulting from the policy of tactical action prevented job creation, increased unemployment and generated further political troubles. In addition, over-concentration on production of cocoa through the CPC loans had led to a neglect of the food production sector. The consequent rising food prices exacerbated the problems. Discontentment with the government increased as the economic problems deepened. Counter-elitism continued to develop and gather momentum both from within and outside the CPP.

Elites and able bodies within the masses in the Ga traditional area who had supported the CPP with the expectation of better job opportunities and working conditions became disappointed. They had witnessed the grant of loans by the CPC, an agency of the CPP, to help poor cocoa farmers pay their debts to retain their lands and to continue to invest in farming. Because the Ga traditional area is a food crops and fishing area and not agronomically suitable for cocoa production, it did not benefit from the CPC loans although peasants and fishermen in the area were indebted to the relatively rich in Ghanaian society.

Meanwhile, unemployment and food prices were rising and housing conditions deteriorated

continuously in their part of the country. The situation was interpreted by the Ga tribe as a deliberate discrimination against them by the CPP government. Migration from the hinterland to Accra aggravated the unemployment situation with serious political consequences exposing the lack of unity within the political elite in general, and the weakness of the ruling CPP coalition in particular. A movement called the Ga Shifimo Kpee (Ga Stand-fast or Solidarity Movement) was formed by elites from the Ga tribe. Elites of the movement sprang from the ranks of the CPP as well as from the rival GCP. The binding tie was Ga nationalism which now surpassed Ghana nationalism. The slogan of the Ga Shifimo Kpee (GSK) was "Gboi miigbe wo" which means "Strangers or migrants are killing us."

The demands of the GSK included more jobs for the Gas, more and better housing, lower food prices, and the return of all those who are not Gas to their respective traditional areas. At the initial stages, the CPP welcomed the Ga Shifimo Kpee as a non-partisan movement fighting for the legitimate rights of the Ga people which might have been overlooked. However, as the movement grew and their rallies drew large crowds numbering in the tens of thousands, the CPP government felt threatened.

Meanwhile, religious parties began to spring up in opposition to the CPP. Under Ghanaian traditional practices, the leader of the nation might have invited representatives of the GSK and the religious parties to iron out any differences and to address any grievances amicably by consensus. Instead, the CPP leadership permitted the notion of 'enemy' to override Ghanaian culture and began to devise instruments for suppressing the 'enemies'. Thus they decided to pass the Avoidance of Discrimination Bill which banned all tribal, religious, and regional parties and movements. By this Bill, the government intended to make the NLM, TC, GSK and the religious parties illegal in a single stroke of the law.

Many members and sympathizers of the GSK saw the Bill as political machination deliberately aimed at the suppression of the legitimate demands of the Ga people. Many of the GSK members who, until the passage of the Bill, had identified themselves with the CPP deserted to join the GCP. Some activists within the banned GSK formed a militant wing of the Opposition called the "Tokyo Joe" and resorted to violence as a means of pressing for their demands. Similar violent wings of the Opposition

were formed in Ashanti and the Trans-Volta Togoland.

The strategies adopted by the CPP to cope with the rising political violence included the continuation of the policy of tactical action in post-independence Ghana. The CPP leadership considered it politically unwise to have confrontation on both the internal and external fronts. Because an end to the policy of tactical action might antagonise the British, it demanded political peace and stability at the home front which was lacking. In the face of the rising violence, the CPP government deemed it wise to maintain its friendship with the British through the tactical action relationship and to retain the Governor-General as the head of state and the linchpin of that friendship. Hence, the siphoning off of surplus to Britain continued to the detriment of the Ghana economy as the political elites of Ghana continued to allow partisan politics to divide them.

Another CPP strategy to bring the rising political violence under control was to use the state apparatus backed by its majority advantage in Parliament to repress opposition to its rule and to stop the erosion of its support through intimidation. In conformity with this strategy, in January 1958, state emergency powers were invoked to deport foreigners suspected of sympathising with the Opposition. In February of the same year, the Kumasi State Council and the Asanteman Council, supportive of the NLM, were subjected to harassment through investigation of their assets. In May, the government withdrew its recognition of Nana Ofori-Atta II, a very influential chief of the Akim Abuakwa traditional area who supported the NLM openly.

Pressing on with the repressive instruments, a Preventive Detention Bill was passed which empowered the government to detain suspects without trial for a period of five years. To suppress the Opposition further, the Preventive Detention Act (PDA) was amended, later, to provide for an extended detention for a further five years without appeal if the government deemed it necessary. In continuation of the repressive policies, September witnessed the seizure of the assets of the Asanteman and Kumasi Councils. November saw the detention of about 43 members of the Parliamentary Opposition and the passage of a Bill that made strikes illegal.

The repressive measures had the effect of making the opposition less violent. However, opposition to the CPP did not die; it went underground and expanded in various areas of Ghanaian society including the Armed Forces where some sympathizers of the opposition had infiltrated. Moreover, the repressive measures had their own unexpected problems. They alienated the commercial and professional groups of society from the CPP still further. These groups read between the lines of the repressive Bills, perceiving the advent of an era of dangerous dictatorship. But because the CPP leadership thought it might be able to find better expatriate substitutes for Ghanaian experts, it showed no concern for the lacunae of expertise created by the government's action. As explained below, this lack of concern and preference for foreign experts were to cost Ghana very dearly in economic terms.

Partly because the qualified Ghanaian economists had identified themselves with the opposition and partly because the notion of enemy for the opposition was very strong, Nkrumah did not trust the Ghanaian economists and had to rely heavily upon the advice of expatriate economists and the British officers who still controlled the administrative machine of the public service.

FURTHER POST-INDEPENDENCE

WEAKENING OF THE ECONOMY

Superimposed upon the dismal policy of tactical action was an obnoxious strategy of development proposed by Arthur Lewis which guided Ghana's development strategy before 1961. In spite of Ghana's huge reserves in London, the development strategy of Lewis advised that industrialisation in Ghana be dependent on the inflow of foreign capital. According to the Lewis report, published in 1953, Ghana needed an annual investment of two million pounds sterling to attain the stage of "take off" as stipulated by Professor Rostow's stages of growth model, the most popular development model at the time. At that time, Ghana had about 200 million pounds sterling in long term British securities yielding very low interest. Based on the Arthur Lewis calculation itself, the Ghanaian reserves in London might support investment

for self-sustained growth for almost a hundred years! Instead of disinvesting in Britain to enable productive investment in Ghana, the Lewis Report advised against disinvestment and recommended what became a debt trap for Ghana. According to the strategy, Ghana was to engage in a process of industrialisation by the invitation of foreign capital. To promote the process, Ghana was to embark upon fiscal and monetary policies and generous guarantees to attract foreign capital and private investment. The role of Ghana's reserves in London was simply to instil business confidence. The indigenous economists were against the Lewis strategy which obviously did not make much economic sense, but because of their attachment to the opposition and the notion of enemy, Nkrumah and his CPP government did not trust them. The determination of the CPP government to be guided by the Lewis strategy was reflected in the Economic Survey of Ghana as far back as 1954 in these words:

If the Gold Coast is able to stand on its own feet as an independent country, then it is essential that it should be able to demonstrate its ability and will to meet its commitments and to inspire the confidence without which foreign assistance whether in the form of private investment, managerial ability or financial assistance, will not be forthcoming.⁵¹

The propriety of Ghana embarking on industrialization as the priority among alternative choices at that time is very questionable. This is not to deny that Ghana might embark on industrialization later. But, as an agricultural country, it was proper for Ghana to seek to diversify and strengthen its agricultural base in order to be capable, at least, of feeding its population before embarking upon any huge process of industrialisation.

Moreover, the Lewis strategy was proposed at a time of rising food prices arising from inadequate food production. A true nationalist government might have adopted policies to ensure Ghana's self-sufficiency in food production as a priority. But at that time, because of the influence of western ideology, development had become synonymous with modernisation and industrialisation. Because the CPP had become absorbed in this ideology, diversification away from agriculture was considered a sure step in the right direction. Because the Lewis strategy of development concentrated on industrialisation, the CPP

⁵¹Gold Coast, Economic Survey, 1954, para. 43.

government preferred it to any development strategy that gave preference to agricultural diversification of the economic portfolio before industrialization.

The CPP temptation to diversification away from agriculture and its acceptance of the Lewis strategy was encouraged, further, by Ghana's experience with the export of cocoa. The price of cocoa on the world market tends to vary inversely with the amount exported so that an increase in the production of cocoa does not translate necessarily into an appreciable increase in proceeds. It was assumed that export of other agricultural products might exhibit the same characteristics since prices of agricultural products on the world market were determined by external forces.

But that simple assumption was a great mistake. The CPP government failed to recognise that unlike other crops, cocoa was in no way related to the nutritional, agricultural or industrial needs of the country at that time. For example, in the export of corn, Ghanaians might refuse to export if the international price is not favourable since it might be stored and consumed locally until international prices improved. Because very little cocoa is consumed locally, it is a mistake to conclude that the export behaviour of other crops which are consumable locally will be the same as that of cocoa. But blinded by the Lewis strategy of industrialisation by invitation and the modernization ideology, the CPP government focused more on industrialisation.

When in 1959 the government decided on a development plan, it reflected essentially an adherence to the Lewis plan of development. Because the process of industrialisation was assumed to be by invitation and the participation of foreign capital was expected to be private and voluntary, there was no provision for the state to lead or direct the process. The mixed economy structure of the western world was given little attention. Under the assumption that industrialisation through foreign private capital was the engine of development, the responsibilities allocated to the various ministries were very shallow. The development plan consisted essentially of independent suggestions by the various ministries of what projects they considered feasible economically. Interrelationships between the various ministries were not given adequate consideration. Those Ghanaians who were competent enough to take interrelationships into consideration

belonged to the wrong camp - the Opposition. In addition, planners were obliged to keep within the total budget which, in turn, reflected political motives more than realistic development intentions.

The political motives were evident in the structure of the budget. The total budget was a composite of two parts. One part, which was called the small coat plan, amounting to about 132 million pounds, was intended to be implemented. The greater part, called the big coat plan, was purely political propaganda intended to create an impression of how dynamic and progressive the CPP government was; it was to remain on paper only. Thus, E N Omaboe writes:

The small coat plan was based on a realistic appraisal of the country's resources and potential. The projects listed under this plan were those which could be implemented without difficulty during the course of the following five years. The large coat plan on the other hand, contained in addition to the projects in the small coat plan, a number of projects which the planners themselves knew could not be carried through during the plan period for a number of reasons.⁵²

The total budget was 362 million pounds. Even if the large coat plan were to be implemented, the total budget should not have been 362 million pounds since the large coat plan contained the projects in the small coat plan. However, because of partisan politics, projects were duplicated on paper to swell the total amount the government intended to spend on development. Playing upon the emotions of the people to win support at the ballot box, while the siphoning of surplus to Britain under tactical action conditions continued, took precedence over realistic and nationalist economic planning that could lead to genuine decolonization. In addition, provision of incentives to foreign capital was allowed to overshadow development planning.

In support of the policy of industrialisation by invitation, in 1959, the Pioneer Industries Act was passed. It cancelled the maximum tax holiday of five years and established in its place the provision of a tax relief up to the time a company took to recover its initial investment. This generous offer meant that foreign companies could declare small profits to prolong the duration of the recovery of the initial investment.

⁵²E N Omaboe, "The Process of Planning " in A Study of Contemporary Ghana, op. cit.

The more qualified and competent professionals of the Opposition saw the dangers to the Ghanaian economy posed by this Act, but because of party loyalty and the notion of enemy for members of another party, their genuine cries were ignored by their less qualified compatriots of the CPP government who held the majority position in Parliament and controlled the levers of political power. The CPP government proceeded to offer more incentives to attract foreign investment.

The Import Duties Act was passed which provided for the refund of import duties on raw materials.⁵³ Also, the Ghanaian Constitution pledged compensation in case of nationalisation of any industry.

However, in spite of these generous inducements to foreign capital, the Second Development Plan did not succeed in attracting massive foreign investment as expected. The inexperienced and incompetent elites of the CPP government failed to learn from history that foreign capital from the spheres of finance and production had shown little interest in investing in Ghana all along. Only foreign trading companies (merchant capital) showed any interest in Ghana, but such trading companies were primarily interested in maintaining their import-export lines from which they earned enormous profits. It was in the interest of these foreign merchants to discourage any investments in Ghana which would obviously disturb their trading lines. They invested in Ghana only to prevent foreign or indigenous capital from undertaking ventures that could threaten their business, but such investments were very minimal.

Furthermore, because the Lewis strategy guided the government to borrow from abroad to implement some development projects to attract foreign capital, Ghana became indebted very heavily. Since investment in productive capital was minimal, Ghana had to rely heavily on imported consumer goods that created other large avenues of capital outflow. These additional large sources of outflow of capital included increases in expenditure on non-durable consumer goods such as food and clothing; rising costs of invisibles such as shipping, freight and insurance. Disinvestment by foreign privately owned merchant

⁵³"Promoting Private Investment in Less Developed Countries", in Financing African Development, ed. by Tom J. Farer. Cambridge, 1965, page 134.

capital after independence and steady increases in the external assets of the foreign owned banks swelled the outflow.

A potent instrument for closing these channels of deflation of the Ghanaian economy is the institution of exchange and import controls. But the imposition of these controls required an ability to enter into conflict with the foreign banks and firms. Because conflict with the banks and firms was considered not conducive to foreign investment and the Lewis strategy stressed that Ghana could not industrialise without foreign investment, the government refrained from exercising controls. As a consequence, rapid deterioration of Ghana's balance of payments occurred and the country had to use its reserves to meet the balance of payments deficits. As the balance of payment problems mounted and the reserves shrank so did the expected confidence of foreign capital in Ghana. Thus, in the end, Ghana failed to use its reserves to inspire confidence in foreign capital as proposed by the Lewis strategy of development or to build Ghanaian-owned factories as nationalist aspirations would have it.

A statistical picture of the Ghanaian economy in 1960 demonstrates the weakness of the economy and the extent of its mismanagement as partisan politics divided the political elite and majority rule placed power in the hands of the incompetent. The 1960 census recorded that Ghana had a population of 6.7 million with a growth rate of between 2.5 and 3.0 percent, making Ghana one of the fastest growing populations of the world. The Gross National Product was comparatively low being approximately 950 million cedis giving a GDP per capita of about 140 cedis compared to a GDP per capita of about 2000 cedis in the United States and about 1000 cedis in the United Kingdom at that time.⁵⁴ More than half of Ghana's GDP came from agriculture. A substantial part, about 30 percent, accrued from services. The contribution from industry was minimal and indicative of the relatively very low level of industrialisation. Although the average household spent about 55 per cent of its income on food, the average diet was inadequate both with regard to energy and protein intakes recommended by the Food and Agriculture

⁵⁴Birmingham, W., Neustadt, I., Omaboe, E. N., 1966, A Study of Contemporary Ghana, volume 1, page 18. Allen and Unwin, London.

Organization (FAO).

The composition of Ghana's exports in 1960 in percentage terms was: cocoa and associated products 60; timber 11; gold 10; diamonds 7; manganese 7; all others 7.⁵⁵ Most of the five main products were exported mainly in unprocessed form. Attempts to process these products were blocked by the tariff barriers of the industrialised world with which the foreign banks and firms operating in Ghana were linked.

Imports in percentage terms were: food and beverages 19; other non-durable consumer goods 21; durable consumer goods 9; raw and semi-finished material 24; capital equipment 22; fuels 5.⁵⁶ The import composition showed that Ghana imported a substantial amount of food. The high import of food is attributed partly to an over-emphasis on the production of cocoa and partly to other domestic factors such as a strong desire for foreign foods and the land tenure system which required re-education and government action. The population census marked six percent of the total labour force or twenty-five percent of the wage labour force as unemployed - a very serious unemployment situation.

But the unemployment situation was, in reality, worse than what the population census reflected. However, for political reasons, the CPP government adopted a very clever technique to paint a less grim picture. A person was categorised as employed if that person had worked one day in the preceding month. In addition, the economy was characterised by disguised unemployment in which workers performed jobs with low marginal productivity and also by a condition of under-employment in which workers, for lack of job opportunities, were engaged in jobs that only took part of their work potential. Also, because of inadequacies in both the quality and quantity of food, and the prevalence of recurring illnesses resulting from poverty, and malaria which the government could not control because of inadequate resources, the level of absenteeism from work was rather high.

⁵⁵David Hart, The Volta River Project, 1980, page 9. Edinburgh University Press.

⁵⁶Ibid

PM-1 3 1/2"x4" PHOTOGRAPHIC MICROCOPY TARGET
NBS 1010a ANSI/ISO #2 EQUIVALENT

Moreover, the CPP government failed to monitor and control properly the growth of capital stock. Growth in total capital stock over the Lewis era of the 1950s was much faster than the growth of GDP. There were two reasons for this situation. Unproductive capital investments such as transportation infrastructure, houses, schools and hospitals were being acquired rather than productive machinery. Secondly, the nature of capital investment was inappropriate to the available resources and to the available skills of labour power. Ghana's minimal industry was dependent heavily on imported raw materials and was capital rather than labour intensive. By 1960, there was no iron industry, no petrochemical industry and no oil refinery. A new cement factory had been established but it depended heavily on imported inputs. Moreover, it was designed to carry out only the final stage of production of cement, the crushing of imported clinker.

As the economy became weaker and the political consequences grew worse, it became increasingly necessary for the CPP government to invoke the Preventive Detention Act to detain both members of the Opposition and militant workers. But the PDA had its own problems which the CPP leadership overlooked. Because of the extended family system and the attendant strong family ties, family allegiance was stronger than political affiliation. As relatives were detained without trial so did support for the government drop.

By 1961, however, the CPP government felt confident that it had crushed all opposition to its rule to bring the tactical phase to an end. But it was too late. Ghana's reserve position had dwindled to the level where the country became wholly dependent on foreign capital for industrialisation. Inability to forge a strong nationalist coalition to end the colonial economic relations and to define and pursue coherent and patriotic policies had cost Ghana the loss of her reserves and the loss of a great opportunity for sustained development.

Confident of its political security arising from the appearance of no open opposition and also in reaction to the balance of payments crisis, the CPP government decided to abandon the Second Development Plan which it now labelled as neo-colonial and to exercise a political and ideological about

turn.

THE POLITICAL AND IDEOLOGICAL TURN

The behaviour of the CPP government after it felt secure on the home front confirmed the hypothesis that tactical action was a deliberate response to internal political conditions. The government declared socialism (another alien ideology) boldly and openly as the political means for the attainment of the national objective of self-sustained industrial growth by the year 1967. Indeed, as will be explained later, socialism is more alien to the indigenous political culture than the western style of democracy. Hence, the type of democracy that accompanied its introduction in the Ghanaian environment was worse than before. It will be explained that because Ghana had not attained the capitalist stage of development, no foundation had been laid for the establishment of socialism and because the elites did not understand the basic tenets of socialism, the attempt at introducing the ideology was done in an ignorant and crazy manner. Indeed, the whole process of the attempt to introduce socialism might be described as "socialism-gone-crazy" or for short "sociagocrazy". It might be said that what was established out of the confusion was not socialism at all, but something else with a mixed economy content that was given a wrong name. What appropriate name might be ascribed to the resultant ideology? Because the English have never experienced this kind of thing before, there might be no appropriate concept in the English vocabulary. But because it resulted from an attempt to establish socialism, its name might begin with "soci" and because the local elite was totally confused, it might be proper to include the Ga word "amelu" which means "a group that is so confused as to resort to irrational and detrimental acts"; and finally, it might end in "ism". Hence the appropriate concept might be "sociameluism". Hence, central to the concept of sociameluism is the attempt by elites, who are themselves ignorant of the tenets of socialism, to introduce socialism in an environment where the necessary pre-conditions are completely non-existent.

In the process of establishing this socialmeluism, Nkrumah and the CPP began to attack neo-colonialism in strong terms, and shifted to policies that involved large government outlays for building factories for the production of both consumer and capital goods. Further developments were to shock the British, the CPP ally during the period of tactical action.

Nkrumah, who during the period of tactical action had sacked Anthony Woode, one of the leaders of the TUC, in 1958, for attending a meeting of the socialist inspired World Federation of Trade Unions(WFTU), began to sing the praises of socialism, deplored the existence and evils of neo-colonialism, and adopt Soviet planning techniques without fear of any political or economic counter-measures from Britain or the West as a whole. In the absence of any opposition from within, Nkrumah and his CPP government became bold enough to dump tactical action into the garbage can, act against British interests and condemn the same neo-colonialist structures that tactical action promoted. In this way, the CPP leadership demonstrated clearly that internal political conditions, arising from the violation of the principles of the indigenous consensual culture, determined their previous economic policies and external political relations. It was hoped that the adoption of the more nationalist posture might attract the support of most Ghanaians for the CPP.

But Nkrumah and his CPP were mistaken. Through tactical action, the CPP coalition had become far weaker than the leadership had imagined. Opposition to the CPP did not come only from the political parties who had been silenced, but also from the politicised workers who had supported the CPP from the beginning with the bright hope of a prosperous Ghana and improved standard of living. Their interest in the CPP had declined continuously throughout the tactical action phase including the post-independence CPP rule prior to 1961. Their former leaders, Anthony Woode and Ocran, had been very critical of the tactical action phase and the way the CPP had endorsed foreign control of the Volta River project. They had been aggrieved by the dismissal of their popularly elected leaders and their replacement by CPP-appointed leaders who served the interests of the CPP rather than the interests of the workers. They were embittered by the way decisions were imposed from above by the CPP leadership in contravention of the

consensual culture of Ghana in which consultation with interested parties preceded decision-making. Tension between the workers and the government continued to mount as the economic situation deteriorated until the workers lost faith in their hope of a better future under CPP leadership.

In spite of these developments, the CPP still counted on the popularity of Nkrumah among the masses. They were wrong; the foundations of populism had been shattered beyond repair to be confirmed by later events.

Then, in 1961, confident that all opposition to its rule had been crushed, the CPP government imposed a surprise indirect tax on staples which raised consumer prices between 50 to 100 per cent without testing the political waters through consultation with groups likely to be affected. The CPP government seemed to have forgotten so soon that sudden increases in the prices of staples had led to the infamous Christiansborg riots. While increases in the prices of staples might become unavoidable due to circumstances beyond government control and might create political problems, the indigenous political culture had an in-built system of avoiding such problems. In this particular case, elites might have explained to the people why the taxes were necessary and an acceptable level of taxation might have been determined through consensus. The advantage of this process is the absence of surprises. When elites who are in close contact with the people participate in the decision-making process, they will lend their support to the final decision and endeavour to convince the people of the importance of the tax and why it is unavoidable. The surprise introduction of the taxes and the subsequent high increases in the prices of staples was too hard for the workers to swallow, but they remained silently angry. The explosive was waiting for the trigger.

The straw which broke the camel's back was the introduction of a compulsory savings scheme in July 1961, again without consultation with the workers. The scheme reduced the ability of the workers to buy staples further. They expected the TUC leadership to protest but, on the contrary, the leaders either remained silent or expressed their support to the scheme apparently for fear of the PDA which the CPP invoked at will to suppress any opposition to its decisions. The workers decided to go it alone without their

leaders whom the CPP had imposed upon them.

WEAKNESS OF THE CPP-WORKERS COALITION

On September 4, 1961 when Nkrumah was attending the non-aligned conference in Belgrade, the weakness of the CPP and workers coalition was openly exposed. A general strike, which took both the CPP and the TUC by surprise, broke out in Sekondi-Takoradi and spread quickly to Accra and Kumasi. The strike was so popular that within two days, economic activity had ground to a halt in the cities. Market women demonstrated their support by organising free supply of food to the striking workers.

Instead of listening to the legitimate concerns of the workers and finding satisfying ways of ending the strike through the popular cultural process of consensus building, both CPP government Ministers and the TUC leadership condemned the strike on political and ideological grounds. The strike was denounced as an attempt by the relatively affluent workers of Ghana to sabotage the popular and socialist economic planning of the CPP government. Mr. John Tettehghah, the CPP appointed leader of the TUC, for example, argued that demands by workers for improved working conditions were justified as part of the strategy against colonial domination. After independence, that strategy became no longer valid. Because demands on the foreign firms by workers might slow down the rate of economic growth, they were no longer justified after the attainment of independence. The key to development after independence, Mr Tettehghah argued further, was increased output with a recognition that consumptionist orientation was harmful. He wrote:

We will bring about our economic independence by the transformation of our entire national economy by raising the productivity of every worker at his place of work and in our entire national economy.⁵⁷

⁵⁷John Tettehghah, Towards Nkrumahism, 1962, Printing Press, Accra, page 24.

But such condemnations and statements rather infuriated the workers. They had expected their exploitation by the foreign owned firms through low wages to cease after the attainment of independence. On the contrary, they were now being told that the same exploitation which the CPP preached as unacceptable during its formative years had become so justified, after independence, that it was even wrong for them to complain. To them, their exploitation by the foreign firms was wrong at all times. The level of productivity has to be justified by level of pay. To add insult to injury, they were being considered affluent at a time when it was extremely difficult for them to make ends meet. The strike action continued unabated. Shaken by the intensity of support for the strike and no likelihood of its diminution, the government, on September 9, declared a state of emergency in Sekondi-Takoradi followed by a dusk to dawn curfew.

After two weeks of the strike, Nkrumah, who had under-estimated the strength of the general discontentment had proceeded on a visit to the Soviet Union after the Belgrade conference, sensed danger, cut short his visit and returned home. But, on his arrival, Nkrumah adopted a paternalistic attitude towards the workers contrary to the Ghanaian culture of resolution of conflict through negotiation and consensus. Nkrumah seemed to have forgotten his own culture in which dictatorship by one person had never been the case. Although he repealed the emergency measures in an attempt to please the workers, in a dictatorial fashion, he gave the workers two days to end the strike without any promise of addressing their grievances in due course. When the workers refused to return to work, Nkrumah suspected nothing but treason as the motive behind the strike. Thus he stated:

Those who do not (return to work) will have given clear indication that they and their instigators behind them are determined to bring about the overthrow of the constitution by illegal means.⁵⁸

In spite of this threat, the workers did not budge. Although Nkrumah seemed to have forgotten the cultural process of amicable settlement of disputes by consensus the workers still believed in it and expected him

⁵⁸Ashanti Pioneer, September 22, 1961

to comply with it. The strike continued until September 23 when the funds of the workers became almost exhausted and the workers, for the sake of survival, returned to work. The return to work was a chance for CPP leadership to begin negotiations with the workers and to heal the wounds within its coalition. But the CPP leadership was not satisfied with the mode of return to work and acted as though it were in a state of megalomania. Instead of consensual negotiation, it decided to crush the legitimate demands of the workers in the same manner as it crushed the other political parties. Confrontation and repression rather than coalition building through consensus was the choice of the CPP government.

The PDA was invoked to arrest and detain without trial some railway workers who emerged as leaders during the strike and some market women who were suspected of having organized the free supply of provisions to the striking workers. TUC officials suspected of having expressed sympathies with the workers were expelled and detained without trial under the PDA. Again, because of the strong extended family relations, the arrest and detention of the workers and TUC officials made CPP and the government most unpopular throughout the country.

But why did the CPP adopt such excessive and repressive stance vis-a-vis the workers? An over commitment to the ideology of socialism as the guide to Ghana's development blurred the vision of the leadership. Once again, the emulation of an unsuitable foreign culture was permitted to supersede Ghana's own. The CPP thought it could employ the tactics of repression characteristic of socialist countries to establish socialism in Ghana. In their blurred socialist vision, Nkrumah and his CPP government failed to realise that productivity alone is not a sufficient condition for economic growth. They did not consider that the productivity of the worker depends upon the wage level both as an incentive and as a means of subsistence. They failed to appreciate that investment in industrialisation has to be balanced by a corresponding increase in wages and expanded employment to support the consumption of the wage goods produced by industry. Unfortunately, most of the qualified professionals who might have advised the CPP government on these terms belonged to the alliance of the opposition. Some had been scared into silence by the PDA, had fled the country or had been detained under the PDA.

When one examines the data relating to wage and living conditions of the time, it is not surprising that the workers who became politicized and militant against British rule lent their support to the positive action campaign. Statistical data including actual wage index indicate that during the 1941 to 1957 period the workers were worse off than in 1939 (Table 1). In addition, it explains why their support for the CPP declined during the pre-independence tactical action period.

Independence brought a temporary rise in real wages which began to decline after 1960. Because of the scarcity of job creation during the tactical action phase, there was widespread unemployment, disguised unemployment and under-employment. The unemployment figures were of concern even when the real wage was at its peak for the post-independence period (Table 2). But since the tactical action phase which followed was coincident with widespread unemployment, major problems developed.

Because there was no unemployment insurance or welfare benefits and also because of the extended family relations whereby the unemployed relied upon their employed relatives for subsistence, the effect of the combination of decline in real wages and unemployment was very severe. Given this situation, it is difficult to understand why it was alleged that in 1961-1962 the workers were affluent (Tables 1 and 2).

TABLE 1
Wages of unskilled workers in Accra, 1939 to 1963
May 1939 = 100

DATE	DAILY WAGE IN SHILLINGS AND PENCE	MONEY WAGE INDEX	COST OF LIVING INDEX	REAL WAGE INDEX
MAY 1939	1/6	100	100	100
DEC 1941	1/10	122	151	81
NOV 1943	1/10	122	168	73
NOV 1945	1/10	122	186	66
NOV 1946	2/1	139	198	70
NOV 1947	2/9	183	212	86
DEC 1948	2/9	183	227	81
SEP 1949	3/2	211	243	87
DEC 1950	3/3	217	285	76
DEC 1951	3/3	217	333	65
DEC 1952	4/6	300	326	92
DEC 1953	4/6	300	324	93
DEC 1954	4/6	300	324	93
DEC 1955	4/6	300	344	87
APR 1956	5/2	344	351	98
DEC 1957	5/2	344	351	98
DEC 1958	5/6	367	354	104
DEC 1959	5/6	367	364	101
JUL 1960	6/6	433	364	119
DEC 1961	6/6	433	410	106
DEC 1962	6/6	433	410	102
DEC 1963	6/6	433	486	89

Source: Study of Contemporary Ghana. Vol.1, pp 141, 155.

TABLE 2
Unemployment, 1960

AGE	SEX (M/F)	LABOUR FORCE (1000S)	WAGE LABOUR FORCE (1000S)	UNEMPLOYED (1000S)	PER CENT OF LABOUR FORCE UNEMP	PER CENT OF WAGE LABOUR FORCE UNEMP
ALL AGES	M	1682.73	1682.73	109.560	6.5	19.3
ALL AGES	F	1042.12	1042.12	54.250	5.2	60.3
15-29	M	685.34	N/A	82.670	12.2	--
15-29	F	467.190	N/A	43.330	9.3	--
30-49	M	709.770	N/A	21.530	3.0	--
30-49	F	404.480	N/A	7.180	1.8	--
OVER 50	M	287.620	N/A	5.360	1.9	--
OVER 50	F	170.450	N/A	3.770	2.2	--

Source: A Study of Contemporary Ghana, Vol. 1, page 149.

Note: The wage labour force is the number of employees plus the number of unemployed.

Under the situation of low wages those who stood to gain more from any increase in productivity were the foreign-owned trading firms, the foreign owned mines, and the foreign-owned banks, all of which repatriated their huge earned profits.

Therefore, to the workers the type of socialism that the Nkrumah regime sought to establish was against the worker, very favourable to foreign capital and in contravention of the popular socialist principles. Indeed, the declaration of socialism as the guiding ideology to Ghana's development and Ghana as a one party state in which only the CPP was recognised may be regarded unnecessary when national coalition building is considered. It was unwise when beneficial relations with the powerful industrialised west are considered. It was totally unwarranted when it is realized that what was understood as socialism by the CPP was, in reality, a mixed economy devoid of the principles of socialism.

THE SOCIALIST PROBLEMATIC

The declaration of socialism as the guide to Ghana's development confirmed the earlier fears by the opposition parties that Nkrumah and his CPP were communists. It set up an ideological basis of conflict among the Ghanaian political elite that was fuelled by foreign interests opposed to the socialist ideology. It encouraged the opposition in exile and those operating underground in the country to intensify their operations with the help of foreign sympathizers and, thus, made any process of organising a united nationalist coalition more difficult. The British, who had been allies of the CPP government during the tactical action period, felt betrayed and became open critics of the policies of the CPP government. With hindsight, the British concluded that Nkrumah had not been sincere in his pre-independence denial that he was no communist nor ever would he be one.

Moreover, socialism was declared at a time when the CPP leadership had no clear understanding of socialism as an ideology. Socialism was considered simply and mistakenly to be similar to the indigenous political culture in which organised political opposition did not exist. The CPP forgot that in the indigenous culture of rule by the consensus of encompassing coalitions, there was no party at all but organisation, leadership, and collegial decision-making. In that respect, the declaration of Ghana as a one party state did not conform to the indigenous political culture. With the mistaken interpretation, socialism became only a misnomer in Ghana.

Whereas socialism or Marxism assumes fundamentally that there are classes and class struggles in society, the CPP leadership denied that there were classes in Ghana. Mr. J. H. Mensah, a member of the CPP and chairman of the Economic Planning Commission, for example, maintained that there were no classes in Ghana but only citizens. He argued that in the absence of classes and hence of class conflict in Ghana, there was no need for a socialist party to mobilise the poor peasants and landless labourers in any process of transformation of the countryside. He stated:

We are using the chiefs and other leaders of village society in laudable programmes of

community development. Our political theory should not be based on the assumption that the chiefly class is an antagonistic class.⁵⁹

But Mensah was right to some extent in his argument. The extended family ties are so strong in Ghana that class consciousness was negligible in Ghanaian society. However, if there was no need for a socialist party then what was the need for socialism in the first place and why was the CPP necessary as an agent of socialist development?

Secondly, the CPP leadership argued that the re-organisation of the means of production, which is a central issue in socialism, was not a central issue in the developing countries as a whole for "by and large the means of production do not exist."⁶⁰ The central problem to be addressed "is not the re-arrangement of the ownership of the means of production. The central problem must be the building up of the nation's stock of productive assets."⁶¹ Fundamental changes in the social relations of production were considered unimportant by the CPP. But does the building of a nation's stock of productive capital achievable only under socialism for that process to be labelled socialism by the CPP ?. According to Marxism, the socialist revolution is preceded in history by the capitalist stage of development characterised by a large accumulation of private capital. Hence the accumulation of productive capital in itself is not socialism and the initial stages of the accumulation process may be far from the point of initiation of socialism.

Thirdly, the CPP assumed that state ownership of certain means of production means socialism. For example, citing the Guide to the implementation of the Seven Year Development Plan launched after the termination of the Five Year Development Plan, J.H Mensah stated "This should not be done by hindering the growth of the private sector. Private enterprise will not be killed; it will be surpassed". The statement presupposed the possibility of a harmonious competition between the State sector and the private

⁵⁹Mensah, J. H, "The Relevance of Marxian Economics to Development planning in Ghana", page 15

⁶⁰The Economic Bulletin of Ghana. Vol. ix. No. 1, page 4.

⁶¹Ibid page 12.

sector and that the state sector was capable of surpassing the private sector in the accumulation of capital without any serious struggle between the two sectors. The possibility of the private sector resorting to dirty tactics such as destructive competition involving price war to drive the State sector out of the competition was given little attention.

This notion of harmonious competition between the state sector and the private sector in the accumulation of capital was contrary to the general socialist ideology. For example, the notable Russian socialist, Preobrazhensky, recognising a similar situation of low development of the productive forces in his country warned: "it would be utterly (and most stupidly) self destructive to try to defeat capitalism in the arena of free competition at the present state of socialist economy. The latter would be disintegrated and eventually beaten in the struggle."⁶²

Furthermore, state ownership of production side by side with private capital alone does not constitute socialism; otherwise the small European states and the former West Germany with large public ownership of industrial enterprises might all have qualified to be called socialist countries. The CPP ideologists did not understand that what makes the difference between a socialist economy and a non-socialist economy is not State ownership per se, but whether the State sector exists primarily to serve the interests of capital or the interests of the people as a whole. In other words, the relations of production (how the people as a whole are related to the product of State ownership), which the CPP considered unimportant, is what makes the difference.

Finally, the CPP government assigned a major role to foreign private capital in the Seven Year Development Plan described as a socialist plan of development. Over 40 per cent of the proposed 1000 million pounds expenditure was expected to come from foreign private sources.⁶³ Thus, the CPP was naive to assume that foreign private capital, which had been opposed to the establishment of socialism all

⁶²The New Economics, Oxford, 1965, page 127.

⁶³"Program of the Convention Peoples Party for Work and Happiness" cited in David Apter, Ghana in Transition, 1963, Princeton University Press, New York, pp 393-421.

along in the West, might be most willing to co-operate in the establishment of socialism in Ghana. Out of a serious error in the CPP conceptualization and understanding of the basic tenets of socialism, no fundamental contradictions and conflicts of interest were perceived.

It may be concluded that the CPP concept of socialism was, in reality, a type of mixed economy in which the state might compete with private capital in the capital accumulation process with the state expanding or providing the necessary infrastructure, such as the transportation infrastructure, to the benefit of both sectors. By calling this type of mixed economy socialism, the CPP created unnecessary enemies for itself. It provided the opportunity for genuine nationalist efforts of the government to be misinterpreted and opposed on ideological grounds. Both sides of the political elite, in the ensuing ideological conflict, failed to realise that the central issue was the development of Ghana and that no Western theory of development, be it socialism or liberal capitalism was perfectly suitable for Ghana.

Ironically, however, after the declaration of socialism as the national development strategy, more capital poured into Ghana than before. This inflow of capital was only a coincidence and may be analyzed in its historical context as well as its character and relevance to Ghana's long-term interests.

THE NATURE OF CAPITAL

INFLOW AFTER 1961

The nature of capital inflow after 1961 was not in Ghana's interest and reflected both the incompetence and the insincerity of the elites co-operating with the CPP at that time. As explained earlier, partisan politics divided the Ghanaian political elite into two groups in which political power went into the hands of the less qualified and incompetent to rule. Moreover, the few qualified and competent people who identified themselves with the CPP later, did so for fear of the PDA or merely as opportunists who were not committed seriously to the objectives of the party. Some of these qualified people were actually infiltrators who wanted the fall of the CPP government. For example, a popular faction of the CPP,

called "ema shi nong" was formed by elites in Accra led by Mr Tawiah Adamafio, a former member of the opposition who defected to join the CPP. "Ema shi nong" is a Ga expression which might be interpreted to mean either "It still exists" or "It is still firm". It was rumoured that the group was involved in an assassination attempt on Nkrumah at Kulungugu. The subsequent arrest, and detention under the Preventive Detention Act on August 29, 1962 Tawiah Adamafio, Ako Adjei, and Kofi Crabbe and other leaders of the group for their involvement in the assassination attempt confirmed earlier fears of some CPP leaders that "Ema shi nong", in reality, meant that the opposition existed still, but in disguise within the CPP itself.⁶⁴

Moreover, Ghanaian officials of the public service who took over from the departed British officers during an Africanisation process after independence, were either political appointees who were not qualified for the portfolios assigned to them or qualified professionals who were not loyal to the CPP government. Other qualified professionals refused to give any advice that might be counter to the CPP way of thinking for fear of being accused of sympathising with the "enemy" followed by the usual detention for five years or more under the PDA. Under these circumstances, it became difficult for the CPP government to obtain reliable advice from qualified indigenous Ghanaians in both the political and economic fields. This inability to obtain reliable advice was reflected in the harmful nature of foreign investment after the 1961 declaration of socialism as the guide to development and the CPP as the only recognised party.

The foreign investment that poured in was mostly of short-term nature. According to the 1964 publication of the Economic Survey, Ghana received 168 million pounds sterling worth of credits in the medium and short term range. A breakdown of the amount which appeared in West Africa on October 9, 1965 showed that 157 million pounds were short term suppliers credits with repayment periods ranging

⁶⁴ On August 1, 1962, an assassination attempt was made on Nkrumah at Kulungugu with a grenade. It was not until August 29, 1962 that the suspects were detained.

Daily Graphic, Accra, August 29, 1992, page 1.

Ghanaian Times, Accra, August 29, 1992, page 1.

Appendix A, cited from Historical Dictionary of Ghana.

from four to six years.

The system of suppliers credit was very damaging to Ghana's economy. To understand how damaging the system was, it is necessary to describe its general character.

Under the system of suppliers credit, the foreign firms enter into contracts to complete a development project in a developing country, but these contracts are guaranteed by the home governments of the firms to ensure that the firms are free from any risks in that developing country. In addition, the developing country government guarantees the whole debt. The same firm then advances credit to cover the cost of the project which is determined almost invariably by the firm since most developing countries, including Ghana, do not have the means of assessing the cost.

But interest paid on the suppliers credits are most unjustified and may be compared to the milking of the ignorant and obedient cow. In economic terms, the interest on capital is a reflection of the level of risk involved. As explained above, the investment of the firm is doubly guaranteed by two governments. Since the firm is absolved totally from risk, little or no interest payment might be expected. On the contrary, there is no economic justice in the system of suppliers credit; interests carried by these suppliers credits are generally higher than the prevailing bank rates.

It provides the foreign firms with advantages to enrich themselves at the expense of the developing country by absolving them entirely from any responsibility. Because of the super-protection provided to the foreign investors, they had no interests of their own to protect in any deal and did not have to worry at all about any possible inability on the part of the developing country to pay. Furthermore, because the primary interest of these foreign firms is to maximise profit, the cost of the project might be inflated.

The system encouraged foreign firms to engage in unprofitable projects in Ghana. Also, some lagging industries in Europe took advantage of the system to boost their exports to Ghana. Typical unprofitable or wasteful ventures included a 5 million pound submarine chaser for the Ghana government, in its military expansion program, guaranteed by the British Export Guarantee Department although the British knew very well that Ghana was not under any threat of war, much less a submarine attack; a

guarantee of 9.5 million pounds sterling by the West German government for improvement of the water and sewage system of Accra even though consultants from the United Nations had recommended a plan costing only 6.5 million pounds sterling; a total of 60 million pounds sterling guaranteed by the West German government to the Drevici Group for several projects, the costs of which were inflated, including "a giant tower topped by a revolving restaurant for the International Trade Fair in Accra."⁶⁶ Although some of these Drevici projects might be in the long-term interests of Ghana their inflated costs were to contribute to Ghana's debt burden. In any case, the revolving tower was a wasteful venture .

How might the saddling of Ghana with debt have been checked under the indigenous system of political organization? It is important to stress that under the Ghanaian system of rule by the consensus of encompassing coalition of elites most of these wasteful projects might either not have been approved at all or their costs might not have been inflated so high. For example, a college of elites, owing no allegiance to any political party but to the nation only, might have questioned the wisdom in a suppliers credit for a submarine chaser at a time when Ghana was in no danger of war at all and in dire need of productive capital. A national consensus on the purchase of the submarine might have been impossible and the contract rejected. Under the one party system, the requirement of party solidarity accentuated by the personality cult of the leader and the fear of the PDA enabled the CPP leadership to take decisions, under the influence of foreign governments and foreign businessmen, to saddle Ghana with debt to the detriment of the economy.

Debt servicing, arising from the debt, weakened Ghana's reserves position further and aggravated the already precarious balance of payments position. The composition of investments through these suppliers credits explains why debts became difficult to service. Infrastructural loans accounted for about 72 percent, industrial projects accounted for only 16 per cent and the share of agriculture, the backbone of the structural transformation of the economy, was as low as 3 per cent. The high proportion of

⁶⁶Bob Fitch and Mary Oppenheimer, *op. cit.*, pp 120-121.

infrastructural loans meant that most of the investments might yield returns not in the short term but, rather, after many years. In contrast, the suppliers credits were to be repaid in the short term. By 1964, Ghana's total debt stood at 349.2 million pounds sterling. The total revenue for that year was 120 million pounds sterling. The total government expenditure was 144 million pounds sterling of which 26 million was for debt service alone.⁶⁶

With the reserves shrinking, the Government resorted to deficit financing resulting in severe inflation. The average rise in food prices was 36 percent within an overall average increase in price of 17 per cent.

Under conditions of adequate productive capital and wage level, inflation might be an incentive for stimulating the economy. But, because of the nature of the investments, the high prices did not serve as incentives to stimulate the economy. Instead, the inflation developed into a condition of stagflation (severe inflation plus severe unemployment). But in spite of the difficulties in servicing the debt the government continued to negotiate for more suppliers credits with foreign governments and foreign business. In this way, Ghana fell into a debt trap through the incompetence of the political leadership of the CPP. As explained earlier, had the elite been united, power might not have been concentrated in the hands of the incompetent and the gross mismanagement of the economy through the obnoxious system of suppliers credit might have been avoided.

Also, due to the complete misunderstanding of the socialist ideology, the government was persistent in its policy of competition between the public and private sectors in the commercial, manufacturing and agricultural fields and expected to outclass the private sector.

⁶⁶Douglas a Scott, "External Debt Management in a Developing Country" in Financing African Development, ed. by J Farer, 1965, Cambridge University Press.

COMPETITION BETWEEN THE PUBLIC AND PRIVATE SECTORS

The policy of competition between the public and private sectors under the banner of socialism was not successful. The competition had no parallel in Ghanaian culture of organisation of enterprises. In the Ghanaian culture, government did not compete with private enterprise. Most enterprises were privately owned. If it became expedient for the government to own some enterprises, an encompassing college of elites might specify the areas of government participation leaving other areas or proportions to private enterprise. Even in the private sector, coalitions of elites in the various fields define the rules of the game and set the prices to avoid price wars and destructive competition. It is no wonder that the competition was not healthy to Ghana's economy in commercial, manufacturing and agricultural fields.

THE COMMERCIAL SECTOR

The government did not draw a lesson from the European experience, as exemplified by the historical experiences of Spain and Portugal, that when a weak economy opens its market too wide to stronger economies, it stands the danger of stagnating its development and becoming relegated to the periphery of development.⁶⁷ Because the commercial sector was heavily import dependent, as the free and competitive trade progressed, the balance of payment problems became chronic. In an attempt to bring the balance of payments situation under control, the government was compelled to introduce import licences, exchange controls, and quantitative restrictions on imports but it was too late to have any meaningful impact on the Seven Year Development Plan. Even this late introduction of measures of control was not appreciated by foreign business whose primary aim was not to help Ghana but to maximise

⁶⁷ See Dieter Senghaas, The European Experience: A Historical Theory, 1985, Berg Publishers, New Hampshire.

and repatriate profits. The government instruments of control were criticized vehemently. Thus, Tonny Killick writes:

Ghana has been criticised for resorting to a regime of import restrictions. The truth may be that she delayed too long before imposing them. Thus, the Seven Year Plan came into operation with...(the reserves) exhausted and it depended entirely for its success on an inflow of foreign capital on a scale completely without precedence in the history of the country.⁶⁸

Because of failure to forge a consensus among Ghanaians, the Ghana National Trading Corporation (GNTC), established to compete with the foreign Trading firms, was unsuccessful. Many Ghanaians, including the officials of the GNTC did not understand the national objective in establishing the company. Although the corporation was granted monopoly powers later to import and distribute essential goods to protect the customer from middlemen who acted as distribution agents of the foreign firms, it failed in that mission so badly that a commission was appointed to investigate its activities.

The Abraham commission, appointed in 1965 to investigate the activities of the GNTC reported that the GNTC intensified the role of the big import-export firms. It was the small trading firms, owned by Ghanaians, that suffered and were driven out of business. Due to the weakness of the GNTC coalition of officials, the big foreign-owned trading firms were able to bribe their way into the distribution of any commodity.⁶⁹ Also, because of lack of regional balance in the representation of elites in the GNTC structure of distribution, contrary to what an indigenous system of distribution might have suggested, goods were diverted from some regions to others. For example, goods destined for the North were diverted to Kumasi in the Ashanti region. Commodities were also allocated to some favoured traders. As the small trading firms owned by Ghanaians were driven out of business, the role of the big foreign firms in importing and distributing non-essential goods increased. Thus, through elite disunity, Ghanaians were driven out of business and foreign firms who repatriated their profits to deflate the economy took their

⁶⁸Tony Killick, "External Trade" in A Study of Contemporary Ghana, op. cit., Vol. 1, page 359.

⁶⁹ Bob Fitch and Mary Oppenheimer, 1966, op. cit., page 116.

place. Ghana was independent but not decolonized.

However, the recommendations of the Abraham report were not in the interest of Ghanaian business either. It recommended that the number of importers be reduced through the instruments of certification of importers and the grant of import licences to only those who owned specified wholesale and retail storing facilities. But why was the Abraham Commission able to recommend such measures? It was due principally to the violation of the consensus-building requirement of the Ghanaian culture in the composition of the Committee. There was no representative on the committee who could defend the interests of the small traders. On the other hand, some Ghanaian managers of the foreign big firms had peer connections with the Committee members.

In the implementation of the recommendations of the Committee, the CPP became more unpopular and its coalition weaker. The foreign firms were back again in the control of the import-export trade. Many market women who had hailed and financed the CPP and were successful in business previously were disqualified and driven out of business. More small- scale trading businesses collapsed.

THE MANUFACTURING SECTOR

Also, in the manufacturing sector, the government's intervention to compete with the private sector was a total failure. The budget statement of the government of 1965 reflected this failure. The government admitted that it had invested 40 million pounds in 32 state enterprises and had experienced a total loss of 15 million pounds by the end of 1963.⁷⁰ The performance of the state enterprises in the competition showed that Ghanaian attitude towards government- owned enterprises had not changed since the colonial period and that a major exercise in re-education was an indispensable prerequisite to the establishment of state enterprises. During the colonial period, government-owned enterprises were looked

⁷⁰West Africa, April 1965, page 419. Also cited in Bob Fitch and Mary Oppenheimer, *op. cit.*, 117.

upon as alien institutions and were attended to with disgust, lack of commitment and low labour productivity. Because the CPP government-established enterprises without prior re-education and the application of the culture of consensus, these enterprises were treated in the same manner. This colonial mentality was evident in studies of labour productivity later. Productivity in government-owned enterprises was found to be about half that of private enterprise.⁷¹

However, the Abraham Commission blamed the failures of government enterprises on the lack of Ghanaian administrative ability and corruption. Whilst corruption may be explained by the notion of colonial mentality towards state-owned enterprises, the lack of Ghanaian administrative ability fails to explain why the private enterprises operated by the same Ghanaian management and labour displayed better performance.

THE VOLTA RIVER PROJECT

Due to the disunity within the political elite, the Volta River Project, intended to be the technological backbone to Ghana's industrialisation process, turned out to be almost a sell-out. It was criticised by the Parliamentary Opposition before its implementation as a sell-out but the less qualified and less competent CPP leadership was adamant. The Opposition summarised its views about the project as follows:

The primary purpose of the VRP is the production of cheap electricity to smelt aluminium. The secondary purpose is the development of this country. The same benefits could be achieved without the Aluminium project by

- (a) building a small hydroelectric project which could be sold to many towns and areas at a commercial rate,
- (b) a small scale irrigation Project at various points on the Volta.

⁷¹Tony Killick, "Labour: Industrial Productivity" in A Study of Contemporary Ghana, op.cit., page 170.

(c) the construction of the Tema Harbour.⁷²

Arguing that the VRA plan might be a sell out, Dr. J B Danquah, a member of the opposition, stated "the Volta River is not for sale"⁷³Dr. Koi, another member of the opposition said "The Volta Scheme itself is liked, but the project as stated is imperialist and capitalist arising out of colonialist days"⁷⁴Dr. K.A Busia, the leader of the Parliamentary Opposition pointed out:

It is against our interest as a nation to mortgage our entire economic future between the benevolence of the British and the restraint of the Aluminium Company.The Volta Scheme in its present form may be a return.... of the old imperialism. Because, if successful, it would provide raw materials for British industryand....the control of the plan as it stands would be in private hands.⁷⁵

Also, The first National Committee of professionals appointed to study and submit a report on the project was so critical of the project that Nkrumah and his CPP leaders prevented the Legislative Assembly and the general public from hearing the Committee's considered opinions and altered the membership of the committee, later, to suit their views.⁷⁶

Anthony Woode, an independent nationalist within the TUC warned of the dangers involved in foreign capital controlling the project. A Ghanaian professor of economics, De Graft Johnson argued that:

...the scheme was fraught with many socio-economic problems, such as the displacement of people from the land, the diversion of labour from agriculture and other fields of economic activity including the mining of other minerals, the possible increase in the incidence of river blindness, and further disintegration of existing social units.⁷⁷

However, as has been explained previously, Nkrumah had become so convinced by the Arthur Lewis

⁷²David Hart, The Volta River Project, University Press, Edinburgh, 1980, PP 19-20.

⁷³Ibid, page 20

⁷⁴Ibid.

⁷⁵Legislative Assembly, Debates, February 1953, cited in Ibid.

⁷⁶Ibid

⁷⁷De Graft Johnson, J. C., Background to the Volta River Project, 1955 Abura Printing Works, Kumasi, page 30.

strategy that any criticism from the Opposition or from any person sympathetic to the views of the Opposition was regarded with suspicion as an enemy ploy.

The VRA was regarded in the Lewis strategy as an indispensable infrastructure to Ghana's industrialization process. To Nkrumah, the technological key to Ghana's industrialisation was the VRP. His strong convictions were reflected in his statement in the National Assembly in March 1959, two years after the attainment of independence:

I have always been convinced that abundance of cheap electric power is the soundest base for the expansion of industry in a country such as ours. My government is determined to develop the hydro-electric potential of Ghana to its maximum.⁷⁸

Also in February 1961, after opposition had been virtually crushed in the open arena, Nkrumah stated:

All industry of any major economic significance, require as a basic facility, a large and reliable source of power. In fact, the industrialisation of Europe, of America, of Canada, of Russia and of other countries emerged as a result of invention of sources of power of hitherto undreamt size. Newer nations such as ours, which are determined by every possible means to catch up in industrial strength, must have electricity in abundance before they can expect any large scale industrial advance. Electricity is the basis for industrialisation. That basically is the justification for the Volta River Project.⁷⁹

Thus, to the CPP government it was the industrial uses to which electricity might be put that was most important and not the aluminium project per se.

Under such a wide divergence of views about a project, the Ghanaian culture of decision by consensus might have appointed a committee of Ghanaian experts to evaluate feasible alternatives for producing electricity for the purpose of industrialisation. Whatever alternative was selected by the committee might then have been discussed by the college of elites after consultation with elites representing all sections of society who stood to lose or gain from the project. The project might have been approved after a consensus had been reached taking into consideration the degree to which the expected gains outweighed the expected losses. As explained in a previous chapter on the indigenous culture, in a situation

⁷⁸Legislative Assembly, Reports, March 1959.

⁷⁹Ibid., February 1961.

where it is difficult to reach a consensus, the system provides a compromising solution through the institution of "Ajina". The ajina is a sub-committee of the college appointed to deliberate on a particular topic on which the college is in a stalemate over reaching a consensus. Its decision is final and that decision is stamped by an oath by the college which makes it binding on all. Because it is a great taboo to break an oath, commitment to the decision is assured.

Under the alien party system, the CPP dictated the terms including the composition of the members of the national committee. When the decision of the first committee was not to its liking, the CPP simply changed the committee membership to ensure that a recommendation in tune with its way of thinking was presented. In effect, the committee was a mockery or some mere whitewash of CPP thinking. After the declaration of Ghana as a one party state, the CPP became even more confident to do whatever it liked and unfortunately for Ghana, it made mistakes. In the end, the final project was quite different from what was envisaged originally.

The original project included an integrated aluminium industry that, in turn, included the use of hydroelectric power to refine Ghanaian bauxite at Ajena; the irrigation of the Accra Plains; and a fishing industry. At that initial planning stage, the British government and the British Aluminium Company were interested in the project not because they wanted to help develop Ghana, but as a means of overcoming the British double problem of scarcity of aluminium and the dollars required to procure it from America. But by 1956, due to changes in the international monetary regime, dollars were no longer scarce to the British and the forces of supply and demand had made aluminium no longer scarce on the world market. Both the British Aluminium Company and the British government lost interest in the project and refrained from entering into contract to construct the project.

But the CPP government had made a lot of publicity about the project as its major means for the development of Ghana. Some of those who opposed the VRP idea or plan had either been dismissed from the CPP or been detained without trial for belonging to the "enemy" camp. As discussed earlier, the Opposition had argued that the VRP plan had been imperialist inspired and designed to satisfy principally

the interests of the British government and the British Aluminium Company. Giving up on the project after the withdrawal of the British government and the British Aluminium Company was considered a major political as well as a major economic blow. The Lewis notion that Ghana's development depended upon industrialisation by invitation was, at that time, still very strong.

Therefore, rather than give up on the project, Nkrumah contacted Edgar Kaiser of the United States who subsequently agreed to participate. But because no other company had any keen interest in the project, Kaiser seized the opportunity to drive a hard bargain in which Ghana's interests were compromised even worse than before.

In the revised plan reached with Kaiser, the integrated aluminium industry which was expected to provide employment for Ghanaians was replaced with a smelter which did not require much labour. The irrigation of the Accra Plains to boost Ghana's agriculture, and the project to develop a fishing industry were dropped. Moreover, Kaiser bargained to buy power from the project at 2.625 mills per kilowatt-hour, one of the lowest prices of electricity in the world and virtually at cost. The cost of electric power was so low that Kaiser found it cheaper to ship aluminum processed from Jamaican bauxite in the United States than to process aluminum from Ghana's own bauxite. The agreement on the price of electricity was to last for as long as 30 years. In addition, the maximum amount of electricity that Kaiser was obligated to buy was 2.5 million pounds annually compared to the principal and interest payments of 3 million pounds per year and subject to fluctuating but rising interest rates in the international arena.

Also, adequate studies were not carried out on the nature of the trees in the area expected to be flooded, especially, on their resistance to water. Because of mistrust, expert advice from qualified Ghanaian professionals was not sought. The CPP government and Kaiser assumed simply that the trees might rot within a short time. Unfortunately, the trees turned out to be highly water-resistant. Several decades after the project was completed, most of the trees have not rotted making the Volta lake unnavigable except along a very narrow band where the original river flowed. As it is not considered economically viable to cut down the trees in any foreseeable future, the opportunity of the lake becoming

a major means of transport in support of economic development might be considered to be lost.

Even more painful, the project was completed at a time when factories still remained to be built and loss of confidence in Ghana's ability to pay her debts had discouraged foreign investors to build them. The payments of principal and interest became an additional burden to Ghana's already weak economy.

THE AGRICULTURAL SECTOR

Due to cultural incompatibility, the government intervention to compete in the agricultural sector also resulted in grave consequences. Steps were not taken to re-educate the public on government enterprise prior to the launching of socialised agriculture. In addition, the party system had its own problems in the organisation and management of the farms. Mechanised agriculture was concentrated in the hands of the state. Four state units were responsible for state agricultural production: The State Farms under the State Farms Corporation; the State Supported Yuasi-Collective Farms Managed by the Workers Brigade; Co-operative or Collective Farms under the United Ghana Farmers Council; and the Youth Settlement Farms under the Young Farmers League.⁸⁰

Unfortunately, the socialized units were not managed properly. The poor management was partly due to political control by the CPP, partly to the Ghanaian mentality towards State-owned enterprise, and partly due to elite disunity. Appointments were made on the basis of party solidarity. Party activists and functionaries were given responsibilities for which they were not qualified. Most of the competent managers were identified as belonging to the enemy camp. In addition, the colonial attitude towards government owned enterprises prevailed resulting in very low worker productivity. As a consequence, the overall performance of the socialised units was far below expectation and most disappointing. They could not produce more than 0.5 percent of the total output. According to a publication by the Daily Graphic in 1966,

⁸⁰Ewusi, K "Government Food Policies from the Colonial to the Present", 1988, ISSER Discussion Paper No. 16, page 8.

the Ghana State Farms had not by that year produced enough foodstuffs to justify the heavy investment of capital.

SOME ACHIEVEMENTS OF THE CPP GOVERNMENT

Despite the failures in the trading, manufacturing and agricultural sectors, there were certain achievements of the CPP which were noteworthy. Some specific projects were undertaken that were beneficial to the economy. In the agricultural arena, the rubber plantations established to provide backward linkages to a tyre factory at Bonsasu and the government palm oil plantations at Asraku and Sese to support the soap industry were successful. Also, the government earned the credit for passing certain Acts intended to overcome some of the problems of the land tenure system characterised by communal ownership of land.

As has been explained earlier, according to the system of communal ownership of land, the real owners of the land in Ghana are the ancestors who acquired the land by conquest, settlement or through many years of cultivation. The living only have the right of use. Subject to the system of inheritance, which may be matrilinear or patrilinear (depending upon the ethnic group), the living descendants are entitled to the use of the land. During the pre-colonial period when land was abundant and little value was attached to it, it was possible for strangers who had resided in a locality long enough to win the confidence of the land-owning group to obtain land. When cash crops such as cocoa were introduced and land became less plentiful in economic terms, the ownership groups became more reluctant to part with land. It became increasingly more difficult for strangers to acquire land.

Subsequently, an exploitative system called 'abusa' developed whereby the land owning group could receive one third or more of the farm produce. Also, the system led to a great deal of social differentiation between migrants, locals, and the land ownership groups. Because of the reluctance on the part of the land ownership groups to part with large tracts of land and their hidden agenda of ensuring

adequate supply of labour from non-members of the group, the system affected the size of farms adversely. Most non-member hard-working farmers were reduced to 'deficit farmers' who could not produce enough to feed their own families. Such deficit farmers were compelled to seek wage employment in agriculture or elsewhere to supplement their income; others migrated to the cities or to the mining areas to seek wage employment, thus aggravating the unemployment problems in those areas. Also, it became common for different sections of a land ownership group to allocate the same piece of land to various people with consequent lengthy and wasteful land litigations. In these ways, potential output continued to be far less than actual output.

Having recognised the evils of the communal ownership of land, the CPP government passed two Acts aimed at overcoming some of the problems.¹¹ One of the Acts, the Farms Land Act of 1962, provides in its section 1 that title to land acquired but not farmed for eight years lapses. Evidently, the Act was intended to arrest the practice of people holding on to land for many years without making any productive use of it while others ready to make use of that land are deprived of it. Section 2 of the same Act provides that if a farmer has title to some farm-land, but that title is defective, if he or she commences farming on the land within 8 years of the acquisition, he or she cannot be deprived of that land. The section was intended to prevent the frequent land litigations from discouraging potential farmers or depriving productive farmers of land.

The second Act, the State Lands Act or Act 125 of 1962, in its section 1, empowers the head of state to declare, by executive instrument, any land to be acquired in the interest of the state. Section 5 of the same Act provides that land so invested in the head of state may be granted under lease or licence to any person. The state farms established during the period of socialised agriculture thrived on lands acquired by invoking this Act.

However, because these Acts did not come into being through the consensual process, most chiefs

¹¹Kludze, A K P, "Property Law and Rural Development in Ghana", in Rural Africana, 1983, No. 17, page 57.

and land owning groups did not appreciate the opportunities and benefits they provided to Ghanaian society as a whole and to the Ghanaian economy in particular. For fear of the PDA, they kept quiet whilst the CPP government was in office only to voice their disagreements, resentments and indignation later.

Unfortunately, because of the inability of the Ghanaian political elite to forge strong and united coalition compatible with Ghanaian culture, almost all succeeding governments of Ghana were reluctant to invoke the powers of these Acts to enhance agricultural production or for other economic purposes. Thus, even the land reform achievement of the CPP so vital to economic development came to nothing.

Also, in the industrial sphere, some few projects were beneficial. A tyres factory, established at Bonsasu for the production of tyres for local consumption and for export, was successful. Equipment imported for the expansion of this factory arrived in Ghana just before the overthrow of the Nkrumah government. Due to the disunity within the Ghanaian political elite and the consequent discontinuity in government, the equipment was allowed to rust at the Air Force Station, Takoradi, where it was unloaded in transit to Bonsasu.

Another important project, an integrated cocoa processing venture contracted to the Drevisi Group, was to enable Ghana to process cocoa right from the pod to the main desired products with soap and fertiliser as by-products. Through this project, Ghana was expected to become self-sufficient in fertiliser and soap. The project included silos for the storage and preservation of cocoa and foodstuffs. Unfortunately, this important project, which might have given Ghana a strong economic backbone through value-added and the opportunity to influence the price of cocoa on the world market, was in progress when the CPP government was overthrown and was abandoned subsequently.

In the fields of education, training and health, the Nkrumah government might be credited for laying the foundations for acquiring the human capital necessary for economic development. Primary and university education were made free. Also, textbooks for primary education were free and university students were entitled to scholarships and grants. Polytechnics, trade schools and vocational institutions were established to provide the nation's requirement of human capital. Free medical treatment was

provided in government hospitals alongside the existing private medical treatment for those who could afford private care.

Despite these achievements, because of the PDA, the declaration of Ghana as a one party socialist state, and the ailing economy, the overthrow of the Nkrumah regime was not a surprise to many Ghanaians.

THE OVERTHROW OF THE NKRUMAH REGIME

The overthrow of the Nkrumah regime might be explained as an outward expression of failure on the part of the Ghanaian political elite and the CPP, in particular, to build a strong nationalist coalition. It is a demonstration of the weakness of the mass base of the CPP and a lesson of what might happen when patronage is substituted for organisation or when alien cultures are imitated without careful analysis of their appropriateness and compatibility.

Although international attitudes towards the Nkrumah government might not be ruled out as important ingredients, reaction by the Ghana population, in general, towards the coup suggests that clandestine outside intervention might not have been decisive. The coup succeeded not because the coup leaders were able to muster considerable power, but because there was little popular resistance and was greeted with cheers of admiration by the general public.

Because the overthrow was popular, on February 24, 1966, the coup leaders felt confident enough to broadcast on Radio Ghana:

After Ghana's accession to independence, a new class was formed whose principal occupation consisted in emptying the treasury and perpetuating crimes of all kinds under the pretext of a socialist state. Today Nkrumah and this new class have ceased to exist.¹²

¹²Bob Fitch and Mary Oppenheimer, op. cit., page 1.

FURTHER EXPOSURES OF ELITE DISUNITY

The radio statement in the previous page, reveals how the Ghanaian elite were divided on ideological basis. It shows that the coup leaders, the new coalition of elites, were against socialism as an ideology to guide Ghana's development. Blinded by their hatred for socialism, the new coalition did not blame the economic crisis fundamentally on the siphoning off of surplus to Britain which was perpetuated during the tactical action phase that preceded the declaration of socialism in 1961. It may be recalled that, during the pre-independence period, the members of the opposition (the backbone of the new elite coalition), blamed the dismal economic situation on the policy of tactical action and the attendant siphoning of surplus to deflate the economy. Why was the blame shifted from the tactical action focus to socialism? Blaming the economic crisis on the tactical action phase meant an emphasis on neo-colonialism which might antagonize the west and blur the anti-socialism stance of the new coalition. To court recognition from the west as well as express their hatred for socialism, the evils of tactical action became totally shelved. It was thought politically wiser to blame the economic crisis on socialism which was proclaimed after the Treasury was discovered to be empty. The anti-socialist stance of the coup leaders was reflected, further, in their decision to expel about 130 Soviet technicians. Even Western diplomats were opposed to that decision.⁸¹

It may be a mistake, however, to attribute the motivation of the coup leaders to hatred for Nkrumah and his socialist policies alone. Their motivation may be analyzed in the broader context of the emerging modernization ideology of the time, how that ideology viewed the military, and how it influenced the thinking of some military leaders of the Third World including the coup leaders of Ghana. The coup might not have been attempted if the military leaders of the coup had not considered themselves more competent than the civilian government of the CPP to rule and solve the economic problems of Ghana.

⁸¹New York Times, March 3, 1966.

How did they gain this confidence in their own competence? Some modernization literature of the time shaped their way of thinking.

The military was conceived of as an organization with the appropriate modernizing characteristics. According to Lucien Pye⁸⁴, the military represented the institution with the appropriate modernizing capacity, most likely to induce modernizing attitudes and encourage foreign aid in the process of economic development. The military acquired this modernizing capacity during the colonial attempt to create modern institutions in which the military emerged as the most successful organization for industrialized and secularised enterprise.

Because of the great emphasis on discipline and professionalism with objective standards of individual behaviour, the military acquired a sacred appearance making it adaptable to both the secular and sacred modes of life. Compared to the slogan shouting behaviour of political parties, the military was seen as an institution that provided training in citizenship leading to responsible nationalism involving sacrifices in nation building. The element that makes the military more likely to encourage foreign aid is the greater sense of security of the military leaders which makes them less suspicious of the West than civilians and enables them to look more realistically at their countries.

To these arguments of Pye, Morris Janowitz⁸⁵ added two more. According to him, because the social recruitment into the military is middle or lower middle-class, the military does not have any strong allegiance to an integrated upper class which it accepts as a political leader. Secondly, where political institutions are weak, the military forces develop a sense of public service and national guardianship as a result of their military training and experience.

Other versions of the modernizing literature looked at the military leadership as a new middle class

⁸⁴Lucien Pye., "Armies in the process of political modernization", 1964, Chicago University Press.

⁸⁵Janowitz Morris,ed., "The military in the Political Development of New States". Chicago University press, 1964. (Collection of essays representing modernization arguments based on the sociology of organization).

with a driving interest in ideas, action and concerns; committed to nationalism, social reform, modern technology; and individual minded (ideal for the ideology of liberalism) rather than family or collective minded (socialist oriented).

Because of the strong desire to catch up with the industrialised west coupled with a mentality inherited from the colonial period that everything from the west was the best, the military elites that spearheaded the coup were tempted to view the industrialized west as images representing the future of their countries, and to embrace and implement ideas from the west as gospel truths. Therefore, the modernization literature from the west had a strong impact on the behaviour of some sections of the military leadership including the coup leaders who believed that the military might provide a better leadership. They were encouraged in their convictions by the prevailing economic situation and the lack of unity within the civilian section of the political elite. Although some modernization literature opposed the modernizing capacity ascribed to the military in strong terms later, they were written after the overthrow of the Nkrumah regime and had little impact compared to the former literature on the behaviour of military coup leaders.⁸⁶

Thus, the military leaders had their own hidden agenda in addition to the expressed indignation against the CPP government. It might be important to note at this point that an indigenous consensual government might have involved the direct participation of the military leaders in the decision-making process, and the hidden agenda of the military might not have been necessary.

However, in order to win public support, they embarked upon a strategy to emphasize the ineptitude of the previous government in various ways, fair or foul. In conformity with the strategy of emphasizing the ineptitude of the previous government to justify the rationale of the coup, Nkrumah and

⁸⁶The modernizing qualities ascribed to the military by Lucien Pye and Morris Janowitz have been criticised from exactly opposed standpoints, particularly, by Eric Nordlinger and Uma Eleazu in the 1970s. See Nordlinger, Eric., "Soldiers in Mufti: The impact of Military Rule Upon the Economic and Social Change in the Non-Western States", American Political Science Review, Vol. LXIV (December 1970); and Eleazu, Uma., "The role of the Army in African Politics: A Reconsideration of Existing Theories and Practices", Journal of Developing Areas, Vol.7, Number 2, (January 1973).

his government were blamed for the declining cocoa prices and, hence, the economic crisis. The statement of blame read:

A mere eighteen years ago, the United Kingdom which had ruled this country for over a century, began to release the strings of government to the people of Ghana. The country was then blessed, on final attainment of political independence with adequate funds in all our Departments which could successfully continue the intricate work of Government after the departure of the British... Since then, Ghanaian self-rule has brought nothing but Debt, Dictatorship, and Declining cocoa prices.⁸⁷

But the price of cocoa on the world market is determined by international economic forces over which Nkrumah and his government had no control whatsoever.

Moreover, the Cocoa Marketing Board which set the local price of cocoa some percentage below the world price was established not by the Nkrumah regime but by the British whom the coup leaders now praised as having left Ghana with adequate funds at the time of independence. Also, besides the siphoning of cocoa surplus to Britain, it was the British who transformed the Ghanaian economy into a mono-crop cocoa economy that became highly vulnerable to adverse changes in the world price of cocoa and not the Nkrumah regime. In their hatred for the enemy and socialism, the coup leaders might have forgotten that during the pre-independence era, the British were not prepared to tolerate any policy that might be injurious to their interests, particularly, when the Ghanaian political elite was so divided.

In the same press release, the coup leaders affirmed their belief in the British Commonwealth which they claimed has "a vital role in the promotion and maintenance of world peace and security". Diplomatic relations with Britain, which were broken during the latter part of Nkrumah's rule in compliance with a recommendation of the Organisation of African Unity (OAU), were restored almost immediately. In short, the coup leaders demonstrated their preference of the colonial rule of the British to Ghanaian self-rule under Nkrumah and association with the British Commonwealth to African nationalism and unity which Nkrumah had championed. The name Nkrumah became synonymous with the notion of enemy to the extent that any praise or achievement associated with his name or his regime

⁸⁷Ghana Press Release No.4, 1966.

became abominably unacceptable.

But why were the coup leaders so much against Nkrumah ? Their social and political backgrounds explain their behaviour. General Ankrah, who became the Chairman of the National Liberation Council (NLC) was a Ga and sympathetic to the Ga Shifimo Kpee (GSK) which identified itself with the Opposition later. General Kotoka was an Ewe who deplored the circumstances that led to the eviction of his fellow Ewe and blood relation, Mr. K A Gbedemah, from the CPP into exile; the strong extended family cleavage was in operation here. Also, Kotoka was sympathetic to the aspirations of the people of the Trans-Volta Togoland as represented by the Togo Congress. General Ocran, from the Western Region, sympathised with the workers of Sekondi-Takoradi in their struggles with the CPP. He deplored the expulsion of his relation, another Ocran, and a friend Woxide, both from the Western Region, for expressing nationalist views during the pre-independence tactical action phase. Afrifa, who at the time of the coup was an Acting Major in the Army, was a staunch supporter of the NLM and an ardent admirer of Dr. K A Busia - the leader of the NLM and later of the United Party and the Parliamentary Opposition who was then in exile in Britain. Evidently, the political forces which were suppressed by the CPP through the PDA resurfaced and expressed themselves through the military. The inability of the CPP to forge a strong and encompassing coalition compatible with Ghanaian culture eventually spelt its doom.

The weakness of the CPP coalition was exposed further in the response of the general public and the party members to the coup. In the regional capitals of Accra, Kumasi, and Sekondi-Takoradi, market-women and various interest groups demonstrated for over two weeks in support of the coup. Most traditional rulers sent telegrams to declare their support. In offices and factories, Nkrumah's picture was removed voluntarily and enthusiastically from the walls. In the same manner, Nkrumah's statue in front of Parliament House was broken down.

Also, the two million registered CPP members did not organise any resistance whatsoever - an indication of lack of effective support and organisation. The same CPP which organised the first ever general strike in sub-Saharan Africa to compel the Colonial Government to release Nkrumah from prison

was silent as some few troops and policemen took over the reins of government. Moreover, the CPP allowed itself to be dissolved by a simple radio announcement. The CPP appointed TUC leaders who, in their support of the CPP government, were bold to denounce the legitimate wage demands of the workers declared its unflinching support to the coup - an indication that its support to the CPP was not genuine or sincere. Thus the secretariat of the TUC issued the statement:

In the name of the workers, the secretariat greeted with greatest satisfaction the deliverance of the country and the end of dictatorship and economic chaos.⁸⁸

Thus, the TUC leadership joined the general public in the failure to appreciate that military rule is another form of dictatorship with a shift from civilian to military character.

The Ghanaian political elite failed to realise, at this time, that military intervention reflects only a shift in the internal balance of political forces and that while it may determine temporarily who might rule, it cannot change the character of society or be an effective substitute for the consensual culture of Ghana. For example, a military coup might put political power in the hands of some section of Ghanaians, but if the economic resources are not adequate or the subsequent political decisions are not compatible with economic development, the coup might be completely useless. In addition, the Ghanaian political elite did not take into consideration the possibility of a coup setting a precedent in the removal of governments from office that was to plague Ghana later.

Moreover, the coup itself was alien to Ghanaian culture. In the consensual Ghanaian culture coups were unheard of. Because of the representation of all sections of society, including the military, in the college of elites and the procedure of consultation with the masses and feedback to the college, the temperature of the political waters was detected in advance and appropriate measures were taken before situations went out of hand. The absence of a party and hence of party allegiance, and the free expression of views at the college enabled various approaches to be analyzed carefully before a decision was taken. The process of consensus-building ensured that the final decision was acceptable at the lower levels.

⁸⁸Jeune Afrique, March 13, 1966, cited in Bob Fitch and Mary Oppenheimer, *op. cit.*, p. 2.

Furthermore, the military junta itself was not representative of society and hence fell short of the consensus-building process. Relative to Ghanaian culture, therefore, it was a worse type of dictatorship than the CPP government. Also, it introduced into the Ghanaian political arena a new form of politics, the politics of the gun, in which governments are replaced through coups which disrupt continuity in government and hence of coherence in economic policies so essential to development. But this politics of the gun is indicative of the disunity within the Ghanaian political elite arising from the inability to forge a strong and encompassing coalition compatible with the consensual culture of Ghana. The military government of the National Liberation Council which replaced the CPP government exemplified this disunity and showed that military rule is no better substitute for the solution of economic problems. As the statistical analysis of the perception of Ghanaian elites in part two indicated, with hindsight, even the CPP government was perceived by Ghanaians as closer to the characteristics of the indigenous culture and performed better than the NLC government that replaced it.

SUMMARY

The paragraphs above confirm the following hypotheses during the post-independence Nkrumah era the Ghanaian political elite failed to forge a united and encompassing coalition compatible with the indigenous consensual culture to achieve the political prerequisites of successful economic development; that because of elite disunity, economic resources were diverted toward unproductive military expansion; and that the alien ideology of socialism reinforced the division of the Ghanaian elite into two antagonistic camps by party politics.

In addition, it was confirmed that because the ideology of socialism was alien, there was a misfit between the CPP elites and that ideology; that the siphoning of surplus under the policy of tactical action continued for the major part of the period to the detriment of the Ghanaian economy; that because the policy of tactical action was a product of competition between political parties, it was abandoned when the

CPP leadership perceived that all opposition to its rule had been crushed.

It was confirmed, also, that the adoption of the Lewis strategy of development by invitation of foreign capital, which damaged Ghana's economy severely, was the product of elite disunity arising from alien party politics; that Ghana fell into a debt trap through suppliers credit because of elite disunity and the concept of enemy which alienated the better qualified and competent elites from participation in government; that the overthrow of the Nkrumah regime was a consequence of the inability on the part of the CPP to form a strong, united and encompassing coalition on one hand and the assimilation of a special aspect of alien modernization ideology, that advocated military rule in developing countries, by the Ghanaian military elite on the other; that the Ghanaian elite as a whole failed to realize that the roots of the economic problem lay in the misfit between them and the alien ideologies and political practices they emulated.

In short, the Ghanaian political elite failed to perceive the political roots of the economic decline and, therefore, repeated and increased their mistakes. Incensed by the modernization ideology, the military section of the Ghanaian elite thought they might be able to provide a better leadership and overthrew the Nkrumah regime. They were encouraged by the disunity of the civilian section of the elite and the dismal economic situation.

In the next chapter, it will be explained that because military rule was also alien to the indigenous political culture, democracy was perpetuated and the military government was no different from an amelucracy defined earlier in part four. Indeed, because this particular democracy was exhibited by the martial organizations of the Army, Air Force, and the Navy, it might be appropriate to refer to the type of government as a "martiamelucracy" (a military government that is a misfit in the environment and confused to the extent of acting irrationally to the detriment of the nation) derived partly from the English word "martial" meaning "of the military" and partly from the Ga word "amelu" meaning "a group of people who are so confused as to resort to irrational and detrimental acts." Indeed, serious divisions within the military, among the coup leaders and the accompanied democracy while in power might be

described as martial-organizations-gone-crazy or for short, martiagocrazy.

CHAPTER SEVEN

HISTORICAL ANALYSIS: POST-NKRUMAH ERA

THE NLC GOVERNMENT

In the preceding chapter, the political and economic consequences of blind emulation of partisan politics were discussed. It was noted that in the political pot of Ghana, the western style of democracy was translated into democracy in both the political and economic spheres. It was explained that the type of government that resulted was an amelucracy. In the process, the CPP government was overthrown in a military coup. It will be argued in this chapter that because military rule was also alien to Ghanaian culture, the military elite exhibited democracy and failed to achieve the necessary pre-conditions for successful economic development. As noted earlier, the resulting government was so confused that it might be referred to as a martiamelucracy. Because succeeding governments were either amelucracies, martiamelucracies, or engaged in sociameluism, none of them was able to establish the preconditions for successful economic development and successively deepened the economic crisis.

Indeed, the government of the National Liberation Council (NLC) which replaced the Nkrumah government failed, also, to act like the Roman Janus with one face pointing to the glorious past and the other looking into the future to achieve the political pre-requisites for successful economic development. It will be explained that the NLC failed to form a strong, united and encompassing coalition compatible with the consensual culture of Ghana. The Ghanaian elite were so divided, and the notion of enemy so strong, that the few projects vital to Ghana's economic development which were started by the previous regime, were abandoned.

The first action of the NLC on seizing power was to ban all political parties with effect from the first of March 1966. That action opened a convenient opportunity window for the Ghanaian elite to embark

upon a structure of government compatible with Ghanaian culture, but the NLC closed that window by allowing the notion of enemy for the government it overthrew to influence its behaviour. On the same day that political parties were banned, Soviet and Chinese personnel were expelled evidently because they came from socialist countries which were assisting the CPP to establish socialism in Ghana. Apparently, the enemy concept had been extended to include socialist countries with a hidden agenda of attracting support from the west. Even the western countries considered the action so harsh and unwise that they expressed their displeasure openly. The expulsions created a suspicion that the west had a hand in the coup.

And instead of declaring its neutrality in Ghanaian party politics and acting as the binding tie to unite the Ghanaian elite, the NLC began to witch-hunt and harass CPP sympathizers. On March 7, 1966 the Young Pioneer Movement founded by the CPP to mobilize the youth and direct their energies towards the attainment of nationalist and strategic objectives was banned. Members of this organization were of the age of 18 and below. The equivalent of the Young Pioneers in the west might be a combination of the Boy Scout and Girl Guides Movements. Without considering the effect of the ban on the youth, the NLC simply gave it a bad name as a CPP instrument for socialist indoctrination. On March 24, 1966, exactly a month after the coup, the NLC placed local government in the hands of management committees with the directed responsibility of purging local areas of CPP sympathizers as if it were a crime to belong to or sympathize with the CPP. In this way and acting through the enemy principle, the same people who accused Nkrumah and the CPP of violating the democratic principles of freedom of association and choice began to perpetuate the same evil.

As part of the strategy of purging the Ghanaian elite of CPP sympathizers, the NLC removed almost all chiefs enstooled during the Nkrumah period. This interference in the sacred institution of chieftaincy was unjustified. The selection of a chief is a traditionally ideological and complicated procedure in which no government may have a direct influence. This is not to deny that a government may feel more comfortable in recognizing a supportive chief. By removing these chiefs, the NLC created enemies for itself and made any process of building a strong nationalist coalition more difficult.

Also, the NLC appointed a commission of known enemies of the CPP to investigate the assets of Nkrumah. The commission was headed by Mr. Apaloo, a well known member and supporter of the Togo Congress (TC), the secessionist party. Thus, a group was appointed judge over their own enemy making justice a mere mockery. To discredit Nkrumah and the CPP, the Apaloo commission charged that Nkrumah accumulated assets of 2,300,000 pounds between 1951 and 1966 even though Nkrumah died indigent and intestate with no identifiable property either during his rule or after. Because of such instances of mockery of justice, the CPP elite and sympathizers felt very insecure.

Moreover, on the economic front, the NLC began to act upon the enemy concept by dismantling quickly whatever corporations the CPP government had established. On June 23, 1966 the NLC announced its intention to dispose of many state corporations. No proper or adequate investigation was instituted to separate the viable from the unviable. In the process, some corporations which were vital to Ghana's economy or profitable were abolished. For example, the Drevici project designed to process cocoa locally was abandoned. It was a complex vertically integrated project designed to process cocoa from the pod and use the by-products as inputs to many other industries. If completed, it was to serve as the backbone to Ghana's economy. Also, the tyre factory at Bonsasu, built with assistance from Czechoslovakia, was handed over to Firestone of the United States to manage. Expensive equipment for the expansion of the factory was abandoned to rust at the premises of the Air Force Station, Takoradi where it was in transit at the time of the coup. Firestone merely reaped the profits of the tyre factory until the equipment became too old to be profitable and handed it back to Ghanaians to manage. Silos which were built for the storage of cocoa to Ghana's advantage and for the storage and preservation of food to overcome seasonal shortages were abandoned to the mercy of the weather.

Meanwhile, in the military, the coup leaders were busy promoting themselves, thereby casting doubts about the sincerity of the motivations behind the coup. For example, Afrifa who was an acting major before the coup rose to the rank of colonel within a matter of some few days and became a brigadier and a full general later. The quick promotions created an impression that the coup leaders were motivated

by their own selfish ends. The military coalition began to disintegrate. Officers whose promotions had been delayed for various reasons became envious of the quick promotion of other colleagues, mainly from the Ewe tribe, and the associated political appointments. For example, one Captain Sosohunu, an Ewe, who had not passed his promotion examination to qualify for the rank of major, became a Lieutenant-Colonel overnight and was appointed a Regional Commissioner, the equivalent of a Regional Minister. Major-General Kotoka, an Ewe and a Colonel at the time of the coup, was accused of using his new appointment as Army Commander to favour the Ewes.

It was no surprise that on April 17, 1967, a coup was attempted in which General Kotoka and other Ewe officers were killed. Although the coup was abortive, it revealed the inability of the military officers to brighten their own corner by building a strong coalition. Eventually, their inability to forge a strong coalition at the national front began to surface. On September 4, 1968 a nationwide strike of Ports and Railway workers began. The government began to pay the price for concentrating on political purges and military promotions at the expense of tackling the economic problems or addressing the grievances of workers. The government suspected the influence of foreign political forces in the general unrest in the country including the Armed Forces. In their desperation, the NLC ordered the Ghana Navy to seize two Soviet trawlers fishing peacefully off the coast of Takoradi under the suspicion that they were carrying arms to help restore Nkrumah and the CPP to power.

As a further revelation of the cracks within the military coalition, the Air Force Commander, Air Marshal Otu, was arrested without sufficient investigation for an alleged complicity in subversive activity. As it turned out later, his arrest was a frame up by some Ewes. All these discouraging events convinced the NLC to hand over power through the alien ideology of ballot box politics. It did not occur to the NLC to try to convince Ghanaians to adapt their own indigenous system of politics to suit the requirements of modern government.

But the ballot box ideology introduced more problems to the already weak military coalition. Members of the coalition had different preferences for the political parties that began to emerge. For

example, Afrifa, then a Brigadier, wanted the Busia faction to come to power but that faction was threatened by the charisma of General Ankrah, the chairman of the NLC who desired to compete in the elections. It was no surprise that on April 2, 1969, General Ankrah was forced to resign for the very shallow excuse of receiving money for political purposes. Apparently, General Ankrah had been trapped by his political enemies. Had the military coalition been a strong one, the resignation of General Ankrah might not have occurred. The structure of the NLC after the resignation of General Ankrah reflected the deep dissension within the coalition. In apparent disagreement with the resignation of General Ankrah, Major-General Ocran, the next in command refused to succeed as Chairman of the NLC. Therefore, the mantle of succession fell upon Brigadier Afrifa who accepted it willingly. Hence, the Chairman of the NLC was a Brigadier whilst a Major-General remained a member, an arrangement incompatible with the principles of military discipline.

However, the resignation of General Ankrah did not end the partisan opposition to the Busia faction. Various political parties emerged among which was the Peoples Popular Party (PPP). When the rallies of the PPP drew thousands of people, the Busia faction became threatened. On November 18, 1969 a decree from the office of the Chairman of the NLC banned the PPP under the accusation that it was the re-organization of the CPP in disguise.

With the PPP banned, the political competition became a race between two major parties, the Progress Party (PP) led by Busia and the National Alliance of Liberals (NAL) led by K. A Gbedemah, an erstwhile political colleague of Nkrumah who later turned out to be Nkrumah's most dreaded enemy. In the ensuing political competition Ghana became polarized into two camps, the Ewes against all others as tribal sentiments were invoked by both sides in the campaign. NAL won all the seats in the Ewe speaking areas but no seats in any other area except Greater Accra where the Ga-Adangbe tribe demonstrated some neutrality in the anti-Ewe campaign. The PP on the other hand won all the seats in the non-Ewe speaking areas but won no seat in the Ewe speaking area.

SUMMARY

The NLC era confirmed the following: The Ghanaian military elite were unable to build a strong, united and encompassing coalition to achieve the political pre-requisites for successful economic development; the Ghanaian elite failed to perceive that alien partisan politics was unsuitable to the Ghanaian environment; elite disunity and violation of the consensual process expressed themselves in the form of a coup attempt and worker strikes which undermined the economic recovery process; disunity among the military elite was evidenced by the forced resignation of General Ankrah over a minor issue and the refusal of General Ocran to succeed him; in the process of handing over power to civilian rule through alien party politics, the elite became divided on tribal lines and the nation became polarized, except in the Greater Accra region, with the Ewes on one end and all others on the other.

HISTORICAL ANALYSIS:

THE BUSIA ERA

The Busia era saw the establishment of another amelucracy with the Ghanaian elite divided dangerously on tribal grounds as a consequence of partisan politics and unable to forge an encompassing coalition. The PP emerged as the victors but had to form a government with a Cabinet that included no Ewe representatives. Thus, alien party politics excluded the Ewes from participation in government. Such an embarrassing situation is not possible in the indigenous system where elites from all regions and from all major interest groups are bound to represent their respective areas.

Naturally, the Ewes felt alienated and hoped for the day when the PP government might fall. However, they were not alone in wishing the fall of the PP. Sympathizers of the proscribed supporters of the PPP, including some silent supporters in the military, were not happy with the PP as well. Among this group of silent supporters within the military was the late General Acheampong whose coalition

overthrew the Busia government later. The non-consensual approach of the Busia government might have been the major contribution to its downfall.

On assumption of power, the Busia government introduced an unwise general open licence for imports that weakened Ghana's already precarious balance of payments position. As the economic situation grew worse, the Busia government found a scapegoat to blame for the economic ills of Ghana, namely immigrants from neighbouring African states. On November 18, 1969, by an instrument, the Alien Compliance Order, the government ordered the expulsion of all aliens without resident permits. There were several reasons for this. Busia had promised, on the political platform, more jobs for his supporters which he could not fulfil in the short term. By expelling the aliens, Busia hoped to open more job opportunities. However, the expulsion of the aliens was very unjust. Most of the so called aliens were not aliens at all in the legal sense. Most of them were born and bred in Ghana but retained their ethnic identities as convenient means of association. Most of them were illiterates who had no idea about resident permit and had never been requested to obtain any since the colonial days. Some of these so-called aliens sold their businesses far below market value and left. Others who could not sell their business left with empty hands. Most of these businesses were taken over by PP supporters.

But the alien compliance order had its own problems arising from the violation of the consensual culture. The principles of organization, representation and procedures of decision-making of the indigenous political culture were violated in the constitution of the Legislative Assembly. Because the Busia government was not encompassing, many sections of the Ghanaian population did not have any input as to how the alien compliance order might affect their interests. Unknown to the Busia government, the aliens formed a large part of the productive farming population of Ghana. They provided the required labour as well as managed the farms for the Ghanaian communal land owners who were satisfied with reaping two-thirds of the farm produce. The actual experience with the technology of farming was in their hands. Their departure left a vacuum which was difficult to fill.

While labour on the cocoa farms might be provided by migrants from the northern part of Ghana,

the experience with cocoa farming was not so easily replaceable. The quantity as well as the quality of Ghana's cocoa dropped. Thus, the alien compliance order became a curse rather than a blessing to Ghana's economy.

With the aliens gone, but the economic problem getting worse, the Busia government turned upon the civil service as the scapegoat. Elements within the civil service considered as not in tune with the PP were targeted for purging without serious consideration to the provisions of the written Constitution. The concept of enemy came into operation again. In February 1970, 568 civil servants lost their jobs. One of them, Mr. Sallal appealed against his dismissal in court and won. In an obvious disrespect for the Constitution, the Busia government refused to re-employ him. The Busia government assumed that control of Parliament by the PP majority was a licence for disrespect of the Constitution. Once again, western democracy became translated in the Ghanaian political pot from the sovereignty of the people into democracy, the demonstration of craziness. Sensing the danger of dictatorship, three opposition parties merged to form the Justice Party to resist the dictatorship of the PP more effectively. Thus, instead of forging a strong and united coalition, the Ghanaian elite allowed itself to be divided, again, into two main camps through partisan politics and braced for confrontation.

Meanwhile, the Busia government flouted another section of the Constitution that required members of the Assembly to declare their assets. General Ocran, one of the members of the NLC government that handed power to the Busia government was deeply disappointed over the open demonstration of disrespect for the Constitution by the PP government. In December 1970, he demanded that members of the Assembly comply with the declaration of assets as required by the Constitution but the members refused. Suspicions about the corrupt intentions of the PP government ran high and the popularity of the Busia government began to wane. It became apparent that the Busia government had failed to forge a strong and united coalition. Also, Ghanaians became disillusioned about the PP government and began to question the rationale behind the disposal of the State Corporations. Factions of the elite began to revise their way of thinking and concluded that the Nkrumah government might have been

better after all.

It was no wonder when in April 1971, the National Union of Ghana Students demanded wholesale nationalization of businesses and amnesty for all political exiles. The NLC in corroboration with Busia had disposed of state owned corporations established by the CPP government without consultation with the major sections of Ghanaian society as culture demanded. Now other elites wanted the corporations back in the hands of the state plus more. The demand for amnesty for all might be regarded as a recognition of the inalienable rights of all Ghanaians, including the former CPP, to participate in the decision-making process, and a demonstration of frustration with the policies and behaviour of the PP government.

The Busia government felt threatened and decided to adopt a realistic approach to the solution of the economic problem. But it was too late; the popularity of the government was at its lowest ebb.

On July 27, 1971, acting upon the advice of the IMF to restructure the economy, the government published an austerity budget in which public services and employee benefits were to be cut and taxes were to be raised without prior consultation with those affected. It simply assumed that a genuine approach to the solution of the economic problem might be acceptable to the public without prior consultation. The same mistake that the Nkrumah regime made was repeated and there was general dissatisfaction with the government's economic measures.

The government became threatened and thought that forces loyal to Nkrumah were at work against it. It failed to realize that majority in government alone is not a sufficient condition for legitimising the actions of a government and that culture is an indispensable ally. In frustration, in August, 1971, the government banned all direct and indirect mention of Nkrumah or the CPP. On the September 3, 1971 the Minister of Labour announced a firm action by the government to prevent the TUC calling on workers to go on strike. But the government felt so uncomfortable that on September 10 it decided to dissolve the TUC altogether. This was followed by a devaluation of the cedi by as much as 43.9 percent on December 27, 1971. Again, there was no consultation to explain the rationale of the austerity measures and to prepare the public mind to accept it as culture demanded. There was general discontent against the

government and some counter-elites took advantage of the situation. On January 13, 1972, the Busia government was ousted from power by a military coup.

SUMMARY

The Busia era confirmed the following: The Ghanaian political elite failed to forge a strong, united and encompassing coalition compatible with the consensual culture; because the consensual process was violated, an alien compliance order was introduced to the detriment of the economy; the enemy concept was invoked to dismiss civil servants in disrespect of the constitution; the government considered its majority advantage in Parliament a licence to flout the provisions of the Constitution in contravention of alien democratic principles being emulated; because of violation of the consensual process, the genuine austerity measures of the government to restructure and cure some of the ills of the economy was misinterpreted and resisted so strongly that the government was overthrown in a military coup.

HISTORICAL ANALYSIS:

THE NRC, SMCs, and AFRC REGIMES

After the Busia regime, Ghana witnessed a succession of four unstable military regimes. It will be explained in this section that the National Redemption Council (NRC), the Supreme Military Councils (SMC) and the Armed Forces Revolutionary Council (AFRC) governments that followed the Busia government were martiamelucracies which were unable to forge a strong, united and encompassing coalition compatible with the consensual culture to achieve the pre-requisites for economic development. As a consequence, the economic problem deepened.

Events shortly after the coup that ousted Busia from power indicated that elite disunity might be a problem to the new National Redemption Council government headed by the then Lt-Col I. K .

Acheampong. The background of the coup leaders gives a clue to their hidden agenda in ousting Busia. The coup was a plot by Acheampong and a group of Ewe officers. Acheampong belonged to a group of CPP activists in the Ashanti region that was radically opposed to the NLM and the GCP during the pre-independence era and he had never liked Busia. The Ewe officers were supportive of NAL and resented the alienation of the Ewe tribe from government resulting from partisan politics. The binding tie between them and Acheampong was the common dislike for Busia arising from the enemy concept.

The overthrow of the Busia regime introduced an arena of struggle between the Busia and the non-Busia forces in the political arena. The coup was announced on January 13, 1972. Barely two days later, General Afrifa, the ardent supporter of the Busia regime was arrested at Busia's Odorkor house for plotting against the government. A series of counter-coups followed indicating the severity of disunity within the Ghanaian elite in general and the military elite in particular. Under the threat of counter coups, the NRC government was compelled to act at the economic front to reduce tension and legitimise its position. Because the NRC government cited the devaluation of the cedi in justifying the coup, it became necessary to revalue the cedi to win public confidence. On February 4, 1972, the cedi was revalued by 42 percent. The revaluation action put the restructuring program of the Busia government on hold, but it did not put an end to the coup attempts. On the July 16, 1972, the government announced the foiling of another coup by the Busia forces.

Also, the elite coalition that overthrew the Busia regime was divided. Elite factions, sympathetic to the CPP, expected Acheampong to hand over power to them, but for several reasons, Acheampong was unwilling to do so. The Ewe members of his military coalition were not CPP minded and he did not want the coup against the Busia regime to be seen or interpreted as CPP motivated to cause confusion and, thereby, introduce partisan politics into the Armed Forces. The CPP faction of the coalition became disappointed in Acheampong. On August 31, 1973 a coup plot involving Mr. Kojo Botsio, a former Minister in the Nkrumah government was foiled. In December of the same year, another plot by CPP supporters was uncovered. On the Feb 11, 1974 the country's three universities were all closed down

because of subversive activities reflecting the general intra-elite struggle.

Meanwhile, the government had become very serious about the economic problem and needed political peace to plan more effectively. However, because the NRC did not reflect the principles of representation in the indigenous political culture, support for its policies was weak. An Operation Feed Yourself (OFY) policy was announced in which the government intended to guide and encourage Ghanaians to produce more food, but the consensual process of involving elites of the major sections of Ghanaian society in policy formulation was not adhered to. As a consequence, several factors were overlooked and actions were taken in support of the OFY which harmed the economy.

The objective of the OFY was to make Ghana self-sufficient in its food requirements and to eliminate the high import bills. Food imports were discouraged to promote the OFY. Mechanized agriculture was encouraged and the government spent very heavily on the imports of tractors and farm equipment. The cedi was overvalued to encourage the importation of agricultural machinery, equipment and inputs.

But the OFY had its own problems. It was launched after the alien compliance order had driven the more experienced alien farmers away. Mechanized agriculture necessitated the acquisition of large tracts of land which was at conflict with the communal ownership of land. In addition, the land reform Acts became so unpopular after the overthrow of the Nkrumah regime that no government was prepared to invoke them in any economic restructuring process, particularly when elite coalition was so weak. Because the communal ownership groups were unwilling to part with large tracts of land, the farms were not large enough to benefit from the economies of scale of the imported tractors and equipment. A land census taken in 1970 shows the general land distribution pattern in Ghana resulting from the inertia of the communal ownership system (Table 1).

TABLE 1

General Land Distribution Pattern in Ghana

Size of land holdings (acres)	Holdings Number	% holdings	Holdings Cumulative %	Land within each group %	Cumulative land area %
National					
0-0.19	246100	31	31	3.7	3.7
2.0-3.9	194200	24	55	9.0	12.7
4.0-5.9	105200	13	68	8.2	20.9
6.0-7.9	71800	9	77	7.8	28.7
8.0-9.9	42100	5	82	5.9	34.6
10.0-14.9	55000	7	89	10.8	45.4
15.0-19.9	31600	4	93	8.7	54.7
20.0-29.9	27200	3	96	10.7	64.8
30.0-49.9	17900	2	98	11.2	76.0
50 or more	14100	2	100	24.0	100.0
Gini coefficient =0.64129					
South					
0-1.9	217700	35	35	4.0	4.0
2.0-3.9	137100	22	57	7.9	11.9
4.0-5.9	71600	11	68	6.9	18.8
6.0-7.9	48200	8	76	6.5	25.3
8.0-9.9	32300	5	81	5.6	30.9
10.0-14.9	42500	7	88	10.3	41.2
15.0-19.9	23900	4	92	8.1	49.3
20.0-29.9	22600	4	96	11.0	60.3

30.0-49.9	16400	2	98	12.7	73.0
50 or more	13000	2	100	27.0	100
Gini coefficient =0.66883					
North					
0-1.9	28400	16	16	2.2	2.2
2.0-3.9	57100	32	48	13.8	16.0
4.0-5.9	33600	19	67	13.7	29.7
6.0-7.9	23600	13	80	13.5	43.2
8.0-9.9	9800	5	85	7.2	50.4
10.0-14.9	12500	7	92	12.8	63.2
15.0-19.9	7700	4	96	11.0	74.2
20.0-29.9	4600	3	99	9.4	83.6
30.0-49.9	1500	1.0	100	4.9	88.5
50 or more	1100	1.0	100	11.5	100
Gini coefficient = 0.51774					

Source: Bequele, A, 1983 "Stagnation and inequality in Ghana" in Agrarian Policies and Rural Poverty in Africa, ILO Geneva, PP219-249.

The land census showed how unequal land distribution was in Ghana and how small the holdings were in general. Only a small percentage of the land holdings are of the size of 50 acres and above. The Gini coefficient of land distribution is higher in the Southern part of Ghana where because of cash crop production, particularly cocoa, the land ownership groups are more reluctant to give large tracts of land to anybody. A striking feature of the North is that about 67 percent of the land holdings are below 6

acres. Because the output of a 6 acre holding is very small, a greater proportion of the farmers in the North belong to the deficit farmers group who produced less than their consumption requirements and are compelled to seek wage employment in agriculture or elsewhere to supplement their income.

In the process of mechanization of agriculture, the deficit farmers of the North became labourers to the more affluent farmers from the south who acquired larger tracts of land in the North. Resentment against the domination of agriculture by southerners in the North resulted in the burning of rice fields belonging to southerners and sudden deaths of some southern farmers from poisoning in various ways.⁸⁹ The burnings and deaths, in turn, discouraged the relatively affluent southerners from further investments in the North and the abandonment of many otherwise productive ventures.

Meanwhile, in the South, because of the Alien Compliance Order, agricultural labour with requisite experience was severely in short supply. The more affluent cocoa growing areas in the South were able to attract labour from the food-growing areas of the south leaving the food-growing areas in short supply of the required labour. Also, they succeeded in attracting labour that was engaged in food production from the North to work on the cocoa farms of the south.

Additional problems inherited from the past militated against the OFY. The abandonment of the construction of silos and food preservation facilities after the overthrow of the Nkrumah regime provided some disincentives to food production. Because of lack of storage and preservation facilities at the market centres or in the rural areas, much of the food produced rotted. The poor transportation infrastructure added its weight to the dismal situation.

As a consequence of all these factors, the OFY became a total failure, but under the conviction that the shortage of food might drive more Ghanaians into food production, the government refused to import food. Prices of food crops escalated and relative prices favoured food production against the production of cocoa (Table 2). During the 1963-1976 period, although the production of food and cocoa

⁸⁹ Goody, J., 1980 "Rice-Burning and the Green Revolution in Northern Ghana"

declined, food production had an edge over cocoa production and the relative food prices served as an incentive to cocoa farmers to transfer their investments from cocoa to food production (Table 2). Hence, the OFY not only failed but had an adverse effect on the production of cocoa as well. Since cocoa contributes the major part of foreign exchange earnings, the decline in cocoa output meant a decline in foreign exchange earnings.

Furthermore, the over-valuation of the cedi to promote the importation of agricultural inputs encouraged the government and the industrial sector, in general, to embark upon industrial expansion. The industrial expansion involved the extraction of surplus from agriculture, especially, from the cocoa sector. Because of the need for surplus extraction to support the OFY and industrial expansion, the CMB was allowed to remain viable. The producer price of cocoa dropped to so low a value compared to prices in the neighbouring countries that smuggling of cocoa through the border areas became a very lucrative business. The lucrative business, in turn, meant substantial loss in government revenue and in the much needed foreign exchange earnings.

Meanwhile, the government had to service the national debt that was inherited from the past. Also, there were suspicions that some debts might not be genuine or that some were incurred through the carelessness and unwise decisions by foreign investors for which the government of Ghana might not be held solely responsible. Without proper consultations with the major sections of Ghanaian society to discuss possible repercussions of repudiation of debt as culture demanded, the government announced its intention to repudiate the debt. The announcement had the effect of discrediting Ghana, scaring foreign investors and forcing creditors to take very tough measures against Ghana. Apart from the announcement being

Table 2

Relative Prices of Food and Cocoa

Year	Price of local Food	Producer Price of Cocoa	$\frac{\text{Col2}}{\text{Col1}} \times 100$
1963	100	100	100
1964	126	90	71
1965	173	83	48
1966	200	69	35
1967	170	77	45
1968	184	92	50
1969	200	104	52
1970	210	109	52
1971	236	109	46
1972	259	94	36
1973	313	123	39
1974	363	164	45
1975	474	206	43
1976	770	297	39
Growth rates:			
1963-70	9.37	2.10	
1970-76	22.27	18.86	
1963-76	12.56	7.99	

Sources: Central Bureau of Statistics; Economic Survey, 1969-71;
Bequele, A, op. cit.

unwise, the government did not have the will-power to keep to the repudiation policy. Thus the debt continued to be

serviced under a condition in which confidence in Ghana had already been lost.

With the economic situation growing worse, confidence in the NRC declined and the military coalition grew weaker. Because of certain student anti-government activities with pro-Busia undertones, the government attributed its declining popularity to the work of Busia sympathizers. Government attention became diverted increasingly to the political. The enemy concept was invoked to deal with influential Busia supporters. For example, the Ya Na of Yendi, a paramount chief in the North installed during the Busia period, was deposed by the NRC and replaced by another more sympathetic to the NRC to legitimize the government in that area.

But the action against suspected Busia supporters did not solve the political problem. Secessionist elites were active in the Volta Region, the former Trans-Volta Togoland, and some had been driven into exile. To keep the country together and to undermine any alliance between the Busia supporters and the secessionists, the government was compelled to announce amnesty to all secessionists in the Volta Region.

Meanwhile, support for the NRC continued to decline among the military elite and the service commanders became concerned about the ability of the NRC to provide the required leadership. On October 9, 1975 a palace coup was carried out in which a new Supreme Military Council (SMC) relegated the NRC to a lower status but retained Acheampong as its Chairman to preserve the image of the military elite as a united core. But the action did not please the Ewe section of the military elite. On July 28, 1976, five Ewe officers were sentenced to death for subversion to serve as a deterrent.

Meanwhile, Acheampong, now a General, became convinced that partisan politics was incompatible with Ghanaian culture and the attainment of the political pre-requisites for successful economic development. He became an apostle of what he called Union Government. Union Government was essentially the re-incarnation of the consensual culture. It was conceived of as a political regime in which political parties might not exist. Elites, representing all major groups of society, might participate in the Legislative Assembly through a combination of the processes of selection and election with partisan politics playing no part. Cabinet might be appointed by the consensus of the elites of the National Assembly. The

Koranteng Addo Commission was appointed by the SMC to prepare proposals for Union Government. But the westernized Ghana Bar Association (GBA) wanted nothing short of the western type of democracy expressed through partisan politics.

The GBA failed to perceive the incompatibility of partisan politics with the indigenous culture. It failed to realize that what Ghana needed most was a strong, united and encompassing coalition capable of defining and sustaining coherent nationalist economic policies, and channelling the gains from trade to build a dynamic comparative advantage. They seemed to have forgotten too soon that through partisan politics, the Ewe tribe became alienated from the Busia government. They did not learn from history that partisan politics divided Ghana into two camps, placed power into the hands of the incompetent, and was responsible for the policy of tactical action through which the foundations of Ghana's economic crises were laid.

In June 1977, the GBA threatened to go on strike if the SMC did not hand over power. The GBA membership succeeded in convincing their peers and traditional allies, the professional groups to tow their line.

In July, the professional groups joined the threat. The strikes began on July 9, 1977 and compelled the SMC to cancel all leave for Armed Forces personnel. But the opposition to the Union Government idea spread to the universities, the traditional allies of the GBA and the professionals groups. On January 13, 1978, mass meetings of students opposed to Union Government were broken up by police. Later, many students were sent to jail.

The government was determined that it would not be dictated to by intellectuals who formed a minority of the population and were diametrically opposite to the microcosm of society. Sovereign power belongs to the people who might express themselves through a referendum. The SMC went ahead with the program of putting Union Government to a referendum. However, the same GCP alliance of elites who preached the expression of the sovereignty of the people through the ballot box were against the referendum on the grounds that it might be rigged. But if the referendum might be rigged, what about the general

elections? And if the general elections might be rigged, then, might democracy through partisan politics and the ballot box not be translated in the Ghanaian political pot into a democracy - the demonstration of craziness? Under such conditions, is western democracy really suitable to Ghanaian culture? These were pertinent questions which the intellectuals ignored.

However, the referendum might be seen in a context of a mistaken attempt to establish Ghanaian political culture through an alien political technology. In the indigenous process, representative elites from major sections of Ghanaian society might assemble to consider the issue and the GBA alliance might not have been dominant enough to dictate. The behaviour of the GBC alliance might be seen as an outward manifestation of the misfit between the Ghanaian political elite and the alien ballot box process.

Pressing on with their avowed opposition to Union Government, a section of the Ghanaian elite organized a movement called the Peoples Movement for Freedom and Justice (PMFJ) to oppose the referendum. On February 18, 1978, a meeting organized by the PMFJ was broken up and several people were killed in the process. The government went ahead with the referendum in which the Yes vote won. But the GBA alliance disputed the results. On April 3, 1978, in response to what the SMC considered as intellectual opposition to the sovereignty of the people, the government banned all organized groups opposed to Union Government followed by the detention of prominent people opposed to the idea. The enemy concept had surfaced again through the ballot box.

Meanwhile, the SMC coalition had its own problems. The SMC members felt General Acheampong was relying too much on civilian advisers and neglecting them in important issues of the state. Instead of peaceful resolution of differences through the consensual process, on July 5, 1978, General Acheampong was forced to resign in a palace coup organized by the military commanders and the senior military officers. In addition, Acheampong was dismissed from the Armed Forces, and deprived of any military rank and honour. He was replaced by General Akkufu as head of state in a another government, Supreme Military Council number 2, which promised to hand over to a democratic government elected through the ballot box by means of alien party politics. Thus, the referendum came to naught and the idea

of Union Government was abandoned by the same people who together with Acheampong preached it to the public.

But the Ghanaian elite continued to be divided and the galloping inflation aggravated labour unrest. Between August and November 1978, labour unrest was characterized by widespread strikes which, on November 1978, compelled the government to declare a state of emergency. Also, in the process of preparing for a return to civilian rule, on December 30, 1978 the SMC published a list of 105 people, who because of their former involvement in Ghanaian politics, were disqualified from holding office and this action disappointed a lot of politicians.

Meanwhile, in the military, confidence in the competence of senior officers had almost been lost. Rumours of SMC members and senior officers having used their ranks or their positions to amass wealth were widespread. Junior officers and soldiers had become tired of the frequent coups and palace coups organized by senior officers. A group of junior officers disgruntled over promotion prospects, in alliance with the other ranks, plotted to overthrow the SMC and kill all officers of the rank of major equivalent and above in what they termed as a house cleaning exercise. Prominent among this group of disgruntled officers was Flight-Lieutenant Jerry John Rawlings.

The causes of disgruntleness of these officers were rooted in the military regulations. Junior officers were required to pass prescribed examinations, be qualified by length of service, and be promoted only when there was a vacancy. In addition, only senior officers were considered competent for political appointments. On the other hand, officers of the rank of major and above might be promoted whenever a vacancy exists and may be accelerated in promotion based upon merit. In the enforcement of the regulations, some officers were not successful in passing their examinations and were overtaken in promotion by their juniors whom they might even have helped to train. Such officers became disgruntled by the promotions of certain senior officers while they remained for years at the same rank. Rawlings, for example, was bypassed by his juniors as he continued to be unsuccessful at the examinations.

To boost his morale, Rawlings was sent on a flight instructors course in Pakistan but on his arrival

in Pakistan he became disappointed that, for certain reasons, the course had been cancelled. Because he had spent the greater part of his foreign allowance to purchase some necessities Rawlings became more frustrated than ever. On his return to Ghana, in accordance with the military regulations, Rawlings had to refund the amount through monthly deductions from his entitlement which made it difficult for him to make ends meet especially when inflation was galloping. He became more frustrated and felt the military was treating him as a case rather than as a human being. He blamed the senior military officers for not applying the regulations with a human face.

Some junior officers and other ranks had similar grievances of stagnation in promotion and not being treated with a human face. They formed an alliance and accused senior officers of incompetence and boasted of a quick solution to the economic crisis if given the chance. Under the economic condition of galloping inflation, they became popular very easily among the troops. On May 15 1979, Rawlings mutinied with some troops hoping that it might develop spontaneously into a coup. The mutiny was crushed and Rawlings was arrested.

The uprising was an internal matter for the military to handle, but instead of dealing firmly with Rawlings according to the military law, the service commanders were divided on the issue. The Air Force commander insisted that Rawlings be given an open trial. Because Rawlings was an Air Force officer, the view of the Air Force commander prevailed. But that decision was a miscalculation. The open trial made Rawlings popular. The public saw Rawlings as a hero who had challenged boldly the authority of an unjust and corrupt government of senior officers that had plunged the nation into economic woes.

As has been explained earlier, the economic crisis was the cumulative effect of events dating back to the pre-independence era with cultural roots. But the pressure of the economic crises had replaced rationality with emotions and the Ghanaian elite had failed to recognize disunity, arising from the alien political culture, as the root of the political and economic problems. There was widespread support for the mutiny which encouraged other junior officers and men to join forces with Rawlings. On June 4, 1979, the alliance of junior officers and men forcibly freed Rawlings from detention and proceeded to overthrow

the SMC. The SMC members, including the divided service commanders, and some senior officers who held political assignments under the NRC and the SMC regimes were either executed or jailed.

But the Armed Forces Revolutionary Council (AFRC) had no solutions to the economic problem. Their objective was a short sighted vindictiveness against senior officers as a whole, which it termed as a moral revolution and not the building of a strong, united, and encompassing coalition capable of formulating and implementing policies to address the economic problem. It derived support from the junior officers and men of the military and para-military organizations, some left wing groups, spontaneous groups of students, youth organizations, low-income workers and the unemployed. In the process of its formation, the AFRC developed a dangerous populist character with Rawlings as its focus. Its over-enthusiastic support base took the law into its own hands, formed voluntary anti-corruption and price control squads that harassed the public and senior officers of the military and para-military organizations.

National discipline became grossly undermined to the extent that the AFRC itself was worried about the developing state of anarchy. For example, the junior ranks of the police arrested their discipline-conscious senior officers under the pretext of corruption. The AFRC reacted by releasing the officers forcibly, disbanded the Junior Ranks Police Association (JRPA) and diffused the tension through transfers of its active members. Similarly, the junior ranks of the Prisons arrested their superior officers and the AFRC was compelled to step in to restore order.

However, for fear of eroding its support base, the AFRC refrained from taking appropriate measures against its terror wing - the voluntary price control squads. Moreover, the socialists within the support base of the AFRC wanted a radical solution to the economic crisis whereas the AFRC was more interested in a moral revolution and its vindictiveness against senior officers of the Armed Forces, in particular. Divergences in ideological views and tribal orientations hindered peaceful resolution of conflict, and coalition building. Within some few weeks, cracks based upon tribal sentiments began to develop within the AFRC coalition. Rawlings and his second in command, Captain Boakye Gyan, became bitter enemies with Boakye Gyan accusing Rawlings of naked tribalism in favour of the Ewe tribe. The coalition

was compelled under that situation to hand over power to a popularly elected government of Dr. Hilla Liman. Thus, eventually, the Ghanaian elite embraced again the same alien partisan politics that had been at the root of both their political disunity and the economic crisis.

SUMMARY

The historical experience of the NRC, the SMC1, SMC2, and AFRC regimes confirm the following hypotheses: The military elite were neither able to build a strong and united coalition within the Armed Forces nor to create at the national level a stable, strong, united and encompassing coalition capable of defining and sustaining nationalist and coherent economic policies; The OFY was undermined by the Alien Compliance Order of the Busia era, the evils of the communal land tenure system that persisted as a consequence of lack of will to enforce the land reform Acts of the Nkrumah era, and violation of the consensual process in the formulation of the policy; violation of the consensual process led to a hasty policy of repudiation of debt which the NRC did not have the will to implement; the repudiation of debt created loss of confidence in Ghana by foreign governments, investors and financial institutions with adverse consequences on the economy; because of violation of the consensual process, the minority GBA alliance, under the influence of alien ideologies, were able to oppose effectively the culturally compatible Union Government idea and to influence the later SMC coalition to reject the majority decision; the disunity within the military elite was translated into palace coups which were not conducive to foreign investment; because of disunity, the coalition of young military elites of the AFRC were compelled to hand over power to a government based on alien political culture again.

HISTORICAL ANALYSIS:

THE LIMAN ERA

The Liman era was a return to amelucracy and provided further evidence of the incompatibility of alien political culture with its attendant constitutional arrangements, procedures, and elite disunity arising from violation of the consensual culture. Superimposed upon the disunity among the Ghanaian elite was the insatiable thirst of Rawlings and his followers for political power. It will be explained that, as a consequence of the above factors, the Ghanaian elites were unable to achieve the political pre-requisites for successful economic development. Instead of a strong, united and encompassing coalition of elites with a capability of defining and sustaining coherent economic policies, Ghana witnessed a partisan intra-elite struggle for power characterised by labour unrest and coup attempts as Rawlings and his group kept a hawk's eye on political power.

The insatiable thirst by Rawlings and his group for power was confirmed by events that occurred shortly after Liman came to power. As has been explained earlier, Rawlings handed over power to Liman not because of his commitment to partisan politics but because of tribal centrifugal forces that developed within the AFRC coalition. He had tasted power, loved it and wished to return to power. He was encouraged in his ambition by the incompatibility of the new constitutional arrangements and procedures in the Ghanaian environment

The constitutional arrangements and procedures were emulated from the United States Constitution and associated practices. It provided for strict separation of powers between the Executive, the Legislature, and the Judiciary. Appointments of judges and members of the executive by the President were to be screened and approved by the Legislature. Rawlings and his followers did not exercise patience to see how the new experiment with western democracy might even work. They knew from experience that the constitution might not work. They decided to grab power as soon as possible.

Two movements, the June 4 Movement and the Peoples Revolutionary League of Ghana were formed by Rawlings and his followers as means of pressing for his return to power. These movements took advantage of the prevailing economic stresses to organize students, soldiers, workers, the urban unemployed and base elements against the Liman government. Because the members of the Liman government, including the Legislature and the Judiciary were regarded as of the same social status as the senior officers of the Armed Forces, the efforts of these movements yielded some fruits.

On September 24, 1979, Liman became President of the Republic of Ghana. Barely five months later, on March 24, 1980, a number of soldiers belonging to the Rawlings group were arrested for attempting to overthrow the government. The attempt diverted the attention of the government from the economic arena to concern for security. The national security intelligence began an expensive surveillance over Rawlings and his supporters with a special focus on Kojo Tsikata, a former Captain of the Ghana Army and a close associate of Rawlings.

Meanwhile, the economic conditions continued to deteriorate steadily with accompanying labour unrest and the government was experiencing difficulties with the constitutional provisions. For example, in August 1980, Parliament rejected two judges nominated by Liman to the Supreme Court creating a constitutional crisis. Also, labour unrest within the public service compelled the government to issue a warning in September 1980 that public employees who resorted to violence might be dismissed.

The rejection of the judges and the warning of the government might be seen in the broader context as consequences of violations of the indigenous consensual procedure. Under the indigenous process, the judges might have been nominated by the consensus of an encompassing college of elites after appropriate consultations with the major sections of society and the constitutional crisis might have been avoided. Elites, representing the public servants, might have discussed the grievances with the government and a satisfying compromise might have been reached by consensus. For this reason, strikes were unknown in the indigenous culture.

In the absence of the checks and balances of the indigenous system, the constitutional crisis and

the prevailing labour unrest provided incentives to Rawlings and his followers to continue their subversive activities and compelled the government to divert its attention from addressing the economic problem to the intensification of security measures.

On October 15, the surveillance on Rawlings yielded some fruit. In a raid on the home of Rawlings, a left wing Libyan and political adviser of Rawlings was arrested. Sensing that Rawlings derived support and encouragement from the economic situation and the presence of sympathetic elements within the Armed Forces, the government decided on certain actions. In November, 1980, the government was reshuffled to deal with the economic crisis and on May 31, 1980, all military personnel associated with the AFRC were retired. Diplomatic relations with Libya were severed.

The government now felt confident enough to proceed with its realistic economic measures but came across obstacles of opposition from the divided political elite. The budget announced on June 30, 1981, contained some contradictions. It introduced cuts in government expenditure, but at the same time, taxes were increased and a large deficit was envisaged. There was confusion in Parliament in which some members of the ruling People's National Party (PNP) joined the opposition in criticizing the budget. The government was compelled to revise the budget.

Meanwhile, Rawlings seized the opportunity to strengthen the June 4 Movement which the constitutional provisions made it impossible to ban, and to plan the overthrow of the government. The security forces were aware that supporters of Rawlings were receiving military training in Libya for the purpose of overthrowing the government, but under the new constitution, suspicion alone was not sufficient to justify an arrest; suspicion had to be confirmed by some action within the borders of Ghana.

Also, the constitutional provisions surfaced as part of the problem. To strengthen the party coalition, the PNP organized a national convention of its members, but on December 7, 1981, the PNP was forced by a high court injunction to call off the convention. On December 31, 1981, while Liman and the Chief of Defence Staff of the Ghana Armed Forces were entertaining troops at Burma Camp, Accra, Rawlings and his followers seized power. Two days later all officials appointed by the Liman government

were dismissed. On January 11, 1982, diplomatic relations severed under Liman were resumed in appreciation of the help provided by Libya to the forces of Rawlings. Thus, another experiment with the western type of democracy failed to solve both the political and economic crises.

SUMMARY

The Liman era confirmed the following hypotheses: The Ghanaian elite, as a whole, were unable to form a strong, united and encompassing coalition to achieve the pre-requisites for successful economic development; The PNP coalition was not strong and united enough to implement the intended and necessary economic reforms; the alien constitutional structure and procedures emulated from the United States were incompatible with Ghanaian culture; with the elite divided in the enforcement of the constitutional provisions, it became relatively easy for Rawlings and his group to organize the overthrow of the government with the help of Libya.

HISTORICAL ANALYSIS:

PROVISIONAL NATIONAL DEFENCE COUNCIL ERA

The Provisional National Defence Council (PNDC) government of Rawlings is a typical example of a government that, because of its long duration, appeared to be stable outwardly but which in effect was very unstable. In an attempt to establish socialism, it landed itself in sociameluism and, because of the resulting tensions, was compelled to shift to martiamelucacy which was, in turn, incapable of solving the economic problem. As was explained in the statistical analysis of the perception of Ghanaians, the military regimes were perceived as relatively more unstable than their civilian counterparts. Among the military regimes, the PNDC government of Rawlings was perceived as the least stable and a government that has been resisted most by Ghanaians. Its relatively long rule was due more to repression made possible by

the Ewe majority in the military and para-military organizations and the fear by the Ewes of vindictive retaliation against them by other tribes if the Rawlings government is overthrown.

It will be explained that the PNDC was not successful in forming a strong, united and encompassing coalition. Intra-elite struggle led to diversion of both attention and resources to security with adverse effect on economic progress. Due to the inexperience of the members of the PNDC coalition at the beginning of its rule, the government destroyed the banking system making it difficult for domestic savings through the banks to match the requirement for investment by indigenous entrepreneurs. Also, more than any other government in the annals of history of Ghana, the PNDC government has saddled Ghana with debt, a trap from which it will be very difficult if not impossible to escape. To understand why the PNDC was divided requires some knowledge about the politicized institutions that comprised it and the nature of its support base.

THE SUPPORT BASE OF THE PNDC

The support base of the PNDC was essentially an extension of the support base of the AFRC. Junior officers and men of the military and para-military organizations, student groups, youth organizations, left-wing socialist inspired groups, low-income workers and base elements of the urban informal sector hailed the coming of Rawlings to power. To these groups were added the more organized June 4 Movement, the People's Revolutionary League of Ghana, and the New Democratic Movement which derived its support from a socialist faction led by the wife of Rawlings. At the beginning of the PNDC rule, the support base lacked the experience and expertise to run a government. Policy decisions were ad hoc, emotionally driven, haphazard and came from inexperienced informal groups around Rawlings. A few senior military officers picked by Rawlings wondered how the policy decisions were arrived at but were almost powerless. There were other differences.

The socialist radicals in the coalition did not want the participation of chiefs, managers or the

elderly in the various committees which the PNDC intended to set up. They wanted the participation of young people only. The moderates in the socialist camp and the non-socialists recognized the importance of experience and the need to draw on expertise. The socialists as a whole wanted an Interim National Coordinating Committee to guide and co-ordinate the activities of the People's Defence Committees (PDCs) that had been set up in the cities towns and villages, and the Workers Defence Committees (WDCs) that had been set up at the various work places. The non-socialists who saw their survival in the populist image of Rawlings favoured a spontaneous development of the PDCs and WDCs in response to the popularity of Rawlings only. To them, co-ordination from above might be interpreted as control from above which might damage the populist image. The non-socialist groups were embarrassed by the indiscipline of the PDCs and the WDCs and feared that a strong INCC might encourage the acts of indiscipline. The socialist groups were of the opinion that the acts of indiscipline by the committees were reflections of lack of guidance and co-ordination.

The coalition was divided further by the alien ideological differences among its members. It was within the context of the nature of the base, inexperience, ideological differences, and differences in organizational methods that serious mistakes were made to the detriment of both political and economic development.

However, the coalition members had some common interests as well. They were fed up with the alien process of decision-making by the top of the elite hierarchy without consultation with the lower levels, which they called the grassroots, as the culture might suggest. Their objection to the concentration of political decision-making at the top and their commitment to changing the decision-making process was expressed in the Workers Banner, the organ of the June 4 Movement in September, 1981:

...Whether there will be adequate food for all the people or not cannot be determined by working harder, or going back to the land as some self-centred politicians tell us. It will be determined principally by who effectively wields state power - the rich men or the poor workers, soldiers, policemen and farmers - the power to determine who should get what share of the national wealth. This is the crux of the matter, the hub of the whole question. Any discussion of the problem of how the people of Ghana are to free themselves from their present dilemma which does not take this as the point of departure

is meaningless.

The call by the top hierarchy of the elite to Ghanaians to go back to the land and work harder for the nation to overcome the food problem was rejected outright. Decisions on how to solve the economic problem are to be taken by those who will gain control over the state in the struggle between the rich on one hand and the poor workers, soldiers, policemen and farmers on the other. The underlying assumption was that those at the top of the elite hierarchy were rich and all others were poor. State power was defined narrowly as the power to share the national wealth. Later, the top of the elite hierarchy was labelled the citizens and all others, the people.

It was in this context that the Citizens Vetting Committees set up to probe senior officers and other members of the top of the elite structure and the Peoples Defence Committees derived their meanings and explains why the radical socialists did not want any participation of chiefs, managers or senior officers on these committees.

In the same September article, the Banner explained the decentralised nature of the State decision-making process. The process was very similar, in principle, to the indigenous consensual system except that it excluded the more experienced elites for an alleged enslavement of the people. The similarity of the new process might be seen in the broader context as a rejection of the alien political culture in preference for the indigenous. The roles intended to be played by the committees of the people were explained in the following words (Workers Banner, September 1981):

These committees of the ordinary people will hold mass meetings such as durbars in of the other ranks in the barracks or peoples congresses in the towns and villages, on the farms, in the factories, mines, shop floors, everywhere to debate national issues and take decisions affecting the lives of ordinary people. That is why the people's committees represent the highest form of democracy - grassroots democracy - because through them all the people will participate in taking vital decisions and in running the country. This way, power will not be concentrated at the top any more, and nobody at the top can enslave us because there is no way anybody at the top, whether he is a saint or a devil can do what he likes. Budget proposals will be debated by the farmers in their villages, the workers in their factories, mines and the shop-floors, the soldiers in their barracks and their collective decisions will become the law of the day.

But the PNDC paid lip service to the policy of grassroots democracy by violating the consensual process.

The expectation that the collective decisions of the grassroots might be the law became a historical myth. Only some informal groups of inexperienced young officers and civilians who gathered around Rawlings had any influence on the decisions. Moreover, because the more qualified and experienced elites were excluded in the decision-making process, many mistakes were committed. For example, out of inexperience and emotions driven by envy, the PNDC declared as illegal the highest denomination of the cedi, the 50 cedi note and compelled all Ghanaians with amounts of 25,000 cedis in their banks to prove how they came by those amounts. A Citizens Vetting Committee (CVC) was set up for the purpose. Those who were not eloquent enough to express themselves were sent to the Peoples Court for trial. Those who had property were vetted also.

It was through this process of vetting that Ghanaians transferred their confidence from the banks to storing money in deep freezers, in the house or by burying it in the ground. Since the establishment of the CVC, most Ghanaians took to keeping a limited amount of their savings in the banks in spite of very attractive interest rates of the order of 20 percent. The unwillingness to keep savings in the bank means less money available for lending to potential investors.

The consequence is the persistent inflationary spiral. To overcome the problem of shortage of money in the banks under such a situation, money creation has to be resorted to. But the money supply aggravates the galloping inflation. Furthermore, because savings are not kept in the banks, the banks soon become short of money and the process is repeated with the rate of inflation growing worse.

Meanwhile, it became increasingly difficult to control the PDCs and the WDCs. Through extended family connections with leaders of members of these committees and corrupt practices, chiefs, businessmen and wealthy elements succeeded in using the committees for their own ends. Some committee members used their positions to terrorize their opponents or to enrich themselves. Also, the process of formation of the PDCs and the WDCs went out of control. Some managers formed their own WDCs and made themselves chairman. A case in point was when the Managing Director of the Ghana Cargo Handling Company set a precedent by forming a WDC comprising the representatives of the workers, the

middle level bureaucrats and management and declared himself the chairman. Some chiefs formed their own PDCs to protect themselves from destoolment charges and to terrorize their opponents.

The embarrassing behaviour of some PDCs confirmed that the grassroots were not free from corruption as might have been assumed. For example, at Ningo, a town in the Greater Accra region, a businessman succeeded in bribing the Police WDC to maltreat people who challenged his corrupt business deals. Considering that it was the same police junior ranks that rose up against their senior officers charging them with corruption, it was inconceivable that a section of it might so easily succumb to the temptation of bribe. Other PDCs were so over-enthusiastic that they took the law into their own hands to repeat the mistakes of the AFRC era. They became self-styled and unauthorized price control and anti-corruption inspectors who terrorized many people and posed as a threat to the populist image that Rawlings was building for himself. Another threat to Rawlings' popularity was the economic situation which had contributed to the fall of previous regimes.

The coalition was divided on how to tackle the economic problem. The nationalists within the coalition were of the opinion that Ghana's external debt was not so chronic and might be handled through self-reliance and the exercise of appropriate controls. The socialists blamed the economic crises on the exploitation of the many poor which discouraged the workers and the peasants and reduced their productivity. To them the few who are rich engage in excessive tax evasion and corrupt practices which deprive the state of the resources necessary for instituting economic development. Once these practices become eliminated from society, they believed the economic crisis might cease to exist. To the socialists, the origin of the economic crisis is political. Power went into the hands of senior elites who were alienated from the people, made decision without the consent of the people and, in so doing, disrupted the economy. What was needed most was people's power to be expressed through grassroots democracy. Because the grassroots will be involved in the decision making process, they will be more apt to lend their support to the restructuring and reconstruction policies. The economy will recover through the collective decision-making process and the hard work of the grassroots, the people who really matter. To the socialists, all

other groups are reactionaries pursuing only piece-meal reforms that might not lead to any lasting solution.

The conservatives within the coalition were of the opinion that the economy had been damaged through events of the past to the extent that Ghana's own resources were inadequate to heal the wounds. To them, Ghana's resources needed to be supplemented by external aid. Any solution that does not take foreign aid into consideration is unpragmatic, unwise, mere rhetoric and bound to fail.

To the nationalists, foreign aid might lead to another form of neo-colonialism in which Ghana might become enslaved through debt service obligations and the strings attached to foreign loans. There is need to be more careful and go slowly with self-reliance as the guiding principle. A rational consensus might have been reached eventually through the debates that ensued among the various factions. But Rawlings and the populist characters around him wanted a quick solution that might flood the Ghanaian market with consumer goods. There were reasons for this.

Through inexperience, Rawlings, in his speeches after the coup, had made a serious mistake of promising to flood the Ghanaian market with goods within a short time and had put his life at stake if he failed to keep his promise. The conservatives and the populists considered the survival of the PNDC to be hinged on the popularity of Rawlings. Failure to deliver the promised goods might jeopardize not only the popularity of Rawlings but also the very existence of the PNDC and the lives of its members and supporters.

Without adequate consultations to arrive at a consensus, Rawlings decided to seek external aid through the IMF. The assumption was that through the IMF, Ghana might be able to get massive aid from the IMF itself and, through the recommendation of the IMF, from other international lending agencies. But, once the consensual process was violated, centrifugal forces began to develop within the coalition along ideological lines which became translated, later, into destabilizing tribal forces and found expression in the form of numerous coup attempts. As Rawlings confessed in a speech at the Air Force Station, Accra, in the presence of the author, the numerous coup attempts and plots diverted resources from investment in economic development to heavy expenditure on security management, undermined the

confidence of potential investors, and set the clock of progress to economic recovery backward. However, Rawlings has become the willing instrument of the IMF.

A three year Economic Recovery Programme (ERP), launched by the PNDC with the advice of the IMF in violation of the consensual process, undermined the building of a strong, encompassing and united coalition. Indeed, as alluded to earlier, the relatively long duration of Rawlings in power might be seen as attributable to the Ewe (the tribe of Rawlings' mother) domination of the military and para-military organizations and their fear of reprisals from the rest of the Ghanaian tribes should Rawlings be overthrown and not to the strength of an encompassing and united coalition. The ERP program required the existence of a regime capable of repressing the legitimate demands of the people and eliminating any local opposition to its rule and policies.

Support from the IMF meant compliance with the standard conditionalities including devaluation of the currency, reduction in public expenditure and associated public services, lifting of government control and interventions in the economy to give the market a free hand to operate and give price signals for the efficient allocation of resources. But the implementation of the IMF conditionalities contained contradictions which expressed double standards. For example, the market was to be given a free hand to determine the prices of goods and services but the legitimate demand by workers for fair market price for labour was to be suppressed. A series of devaluations since 1983, relaxation of price controls, and the sale of non-profit making state enterprises have resulted in a high rate of inflation unprecedented in the history of Ghana with attendant political stresses.

Also, the requirement for the repression of the legitimate demands of the people was incompatible with the notion of people's power which Rawlings himself had advocated from the beginning and caused to be preached through The Banner, the organ of the JFM, quoted earlier. Moreover, implementation of the ERP required levels of managerial capacity and experience far beyond the competence of the grassroots. Some grassroots in the rural areas recognized their incompetence to rule or manage and demonstrated their unwillingness to shoulder responsibility when peasants elected the more educated, experienced, and well-to-

do farmers to represent them rather than people from their own ranks. However, other grassroots interests did not want to relinquish power or responsibility so easily.

Recognizing the need for competent managerial capacity and the incompatibility between that need and peoples power, the PNDC decided to reverse the revolutionary process launched on 31st December 1981 and to depoliticize the PDCs and the WDCs by stripping them of their acquired revolutionary spirit. The National Defence Committee (NDC) that had replaced the INCC earlier was reconstituted to include chiefs, top elites of the public service, and senior elites of the state security system. The new membership structure of the NDC was intended as a message of change in policy as well as an example to the grassroots. The message was that the character of the process had changed to include the participation of both citizens and people. At the same time, the membership structure was to serve as a model for the PDCs and the WDCs to emulate. The notion of collective decision-making by the grassroots and the socialist inspired analysis of society on class basis gave way to emphasis on the individual indicating the fundamental change in the guiding ideology. Rawlings, the apostle of peoples power and grassroots democracy, now became a converted apostle of an ideology that emphasized the importance of individual achievements. He was reported as having declared "The character of the individual is more important than the class from which he or she comes".⁹⁰ In addition, as part of the depoliticization process, the Interim Management Committees (IMCs) established at the work-places to ensure the participation and domination of the grassroots in the decision-making process at the work-places, were replaced by Joint Consultative Committees (JCCs) that reduced grassroots participation to a purely advisory role.

The elites of the grassroots were quick to discern that Rawlings and the PNDC had betrayed their cherished course and prepared to resist in various ways. It was partly through the process of this resistance that the PNDC coalition became divided and unstable as evidenced by several events. For example, the TUC condemned the PNDC co-operation with the IMF openly as a capitulation to imperialist and neo-

⁹⁰ Zaya Yebo, Ghana: Defence Committees and the Class Struggle
Political Economy, No.32, 1985 pp 64-72.

colonialist forces that had brought untold hardships and difficulties to workers and requested the government to bring its negotiations with the IMF to a halt. In June 1983, the WDCs attacked the judiciary in strong terms as elites who were bent on undermining the revolutionary process. At the Pioneer Food Cannery, the dismissal of a worker by management for misconduct was interpreted as an example of repression against workers and attracted a violent reaction from the Co-ordinating Secretariat of Tema WDCs. The PNDC reacted by dissolving the secretariat.

As the PNDC expected, gradually, apathy began to develop within the ranks of the PDCs and WDCs and very few people attended scheduled meetings.

Meanwhile, unrest developed within the other ranks of the Ghana Armed Forces. The other ranks wondered what Rawlings was up to. Sgt Akatapore, one of the right-hand men of Rawlings began to rally the support of the other ranks for a confrontation with Rawlings. He was able to win the support of the other ranks from the North and elsewhere but met an unexpected stiff resistance from the Ewes. Because of an earlier incident concerning the abduction and murder of three judges and a retired Army officer in which Corporal Amedeka, an Ewe, was protected but soldiers from other tribes were exposed and executed, Akatapore and a group of non-Ewe soldiers interpreted Rawlings' actions as tribally inspired. A number of abortive coup attempts involving non-Ewe soldiers followed indicating the fragmentation of the PNDC coalition.

Non-Ewe officers such as Major Otchere, from Tafo in the Eastern region, Lt-Col Ekow Dennis, from the Western Region, Major Musa from the northern region, and Major Arkanson from the northern region took advantage of the split within the PNDC, in turns, to stage coups which were all abortive. The coups were abortive not because the PNDC was strong, united and encompassing but because of the Ewe majority in the Armed forces. The numerous tribally inspired coup attempts and the executions that followed had the effect of inspiring anti-Ewe feeling within the Ghanaian elite in general. Other events accentuated the anti-Ewe feeling.

Political appointments and promotions within the public service showed an Ewe bias. Non-Ewe

appointees were dismissed or replaced frequently based purely on rumours rather than facts and it became increasingly clear that Rawlings was more reliant on rumours initiated by his fellow Ewes for their own selfish ends than on merit or tangible reason. But what revealed the Ewe bias of the Rawlings government most was the handling of a coup incident involving Major Courage Quarshigah and other Ewes.

The law was applied differently and discriminatively in the case of Major Quarshigah and his Ewe colleagues and confirmed the suspicion that the PNDC was far from being a balanced coalition that represented the peoples of Ghana equally. Other non-Ewe officers and men involved in a coup attempt or plot had been executed without mercy. Due to some differences with Rawlings, Major Quarshigah plotted a coup to overthrow the PNDC. He was fed up with the mistrust that Rawlings had for him. As has been pointed out earlier, Rawlings was ambitiously building a popular image for himself and wanted no challenger. But in the abortive coup attempt led by Lt-Col Ekow Dennis, Major Quarshigah with the help of some Ewe troops launched a counter-attack to foil the coup, announced on the radio that he had been successful in putting down the coup against the PNDC and became popular among the Ewes.

Instead of rewarding Quarshigah with a medal, Rawlings considered Quarshigah a threat to his popularity and made life difficult for him through constant surveillance by the security intelligence. Quarshigah experienced how dangerous the populism he had helped to build around Rawlings was. He was deeply disappointed. In frustration, Quarshigah took advantage of dissensions within the PNDC to plot the overthrow the government with the help of fellow Ewes. Number 267 of The New African dated December 1989 reported:

...Rawlings is suddenly in for a rough ride. He is involved in quarrels with his own close colleagues and kinsmen. Major Courage Quarshigah and other top officers have been detained. ... the government has boxed itself in a corner from which it will be more difficult to escape. Unlike the past, the dissension is now coming from within the inner group of Ewes who effectively hold power in the country - a thing unimaginable eight months ago. That makes the situation more precarious and Rawlings' dilemma more profound. ... Long before the cracks surfaced, leaks from government sources were awash in Accra that disagreements by PNDC members on policy issues affecting the nation, were preventing the PNDC from meeting, and if it did at all, decisions were hard to arrive at and inconsequential to the governing process.

The paper went on to explain the dilemma in which Rawlings found himself after the plot was uncovered.

Rawlings present dilemma therefore is how to deal with the Quarshigah affair. Quarshigah is a very popular officer in the army. Since his arrest, his supporters are reported to have tried once to forcibly release him from custody. Reliable sources say these supporters have vowed to go into action if the government continues to hold him. But Rawlings risks being accused of tribalism by his supporters if he fails to deal firmly with Quarshigah. In Ghanaian terms, plotting or attempting to assassinate the Head of State is considered as subversion which carries a maximum death sentence. In the past and particularly under Rawlings, many soldiers and civilians have either been executed or given long prison terms for plotting or attempting to overthrow the government or assassinating the Head of State. Many more have been sentenced to death in absentia. If Rawlings therefore lets Quarshigah off lightly, he will be undermining his own laws. He will also be giving credence to the charge of tribalism which his opponents so frequently accuse him of. The Army is also watching closely what he will do to Quarshigah.

Quarshigah was found guilty of plotting to overthrow the government, but he was not executed. He was only confined with the explanation that any other action might jeopardize the security of the PNDC. Because the PNDC was considered by the Ghanaian elite as a smoke-screen for the dictatorship of Rawlings, the decision in respect of Quarshigah was taken as a Rawlings decision that reflected the true character of the PNDC - an Ewe bias and a dictatorship of Rawlings.

But the Ewe bias of the PNDC finds explanation in the broader context of the implementation of the IMF conditionalities that required the existence of a repressive government. The appropriate instruments of repression were the military and para-military organizations in which the Ewes were in comfortable majority. Because Rawlings' mother was an Ewe, he considered himself an Ewe and the Ewes accepted him as an Ewe. Indeed, Rawlings claimed Ghanaian citizenship through his mother.

To command the majority support in the military and para-military organizations, Rawlings was clever enough to identify himself more closely with the Ewes and to convince them that his fall meant the fall of all Ewes. Their convictions were reinforced by the indiscriminate killings of officers and members of other tribes by Ewe soldiers during the earlier stages of the revolution. Because the abortive coups were organized by non-Ewes, Rawlings became increasingly more reliant on Ewe support and the Ewes interpreted the attempted coups as expressions of anti-Ewe feelings. The PNDC coalition became

essentially an Ewe coalition with its non-Ewe members gaping sycophants and opportunists who expressed support outwardly only out of fear.

It is precisely because the PNDC was hinged solely on Ewe support that Rawlings refrained from executing Quarshigah who happened to be a pure Ewe compared to Rawlings, a mulatto. Thus, the IMF conditionalities contributed to undermine the building of a strong, united and encompassing coalition truly representative of the interests of the major sections of Ghanaian society.

Moreover, because the consensual process was violated, proper consideration was not given to how the ERP might benefit Ghana and most Ghanaian elites were not committed to it. Loxley writes:

Public support for the ERP appears weak in spite of its successes. This is partly because there is little public participation in policy making and little debate about the program. It is widely believed that the program is the creation of the IMF/International Bank for Reconstruction and Development (IBRD) and, given the detailed conditionality attaching to loans, there is some truth in this.⁹¹

The so called successes of the ERP might be considered to exist only in the propaganda books of the IMF and the PNDC government of Ghana. As the statistical analysis of the perceptions of Ghanaians indicated, the economic achievements of the Rawlings government are marginal compared to the government it replaced and lower than the achievements of the post-independence Nkrumah government. That the program was in essence a creation of the IMF/IBRD is a reflection of the weakness of the PNDC coalition.

The more experienced and competent professionals and intellectuals dissociated themselves from a government they regarded as murderous dictatorial and irrationally sensitive to criticism of its policies. As a consequence, the handful of Ghanaians involved in the formulation of economic policies were inexperienced and lacked the confidence and will-power to confront the IMF/IBRD effectively in the discussions of issues. Hence, the IMF/IBRD officials with their Washington culture and little experience of the Ghanaian scene monopolized the economic decision-making process in Ghana and trampled the

⁹¹Loxley, John; Ghana: Economic Crisis and the Long Road to Recovery, February 1988, Westview Press, P viii.

sovereignty of Ghana under their feet. Loxley described the situation very moderately in the following words:

To begin with, only a handful of senior Ghanaians are involved in the formulation of economic policy. Most government agencies appear to be passive recipients of policy dictated from above or (as we shall see) by external aid agencies. Secondly, there is a great deal of sensitivity about criticism of government policy, possibly because the government lost some face and some support when it changed political direction abruptly in 1983, and possibly because its political base has always been a very fragile one. ... The academic community, which has its own battles with the government over cost recovery, does not appear to provide a forum for debate either. In fact, it is widely stated that a 'culture of silence' prevails in Ghana today a silence accentuated by the arbitrary imprisonment of some prominent opponents of the ERP. At the same time, it is common knowledge that major agreements are signed in Washington for signature by the Ghanaian government and that often, because of bureaucratic delays in the government, the Bank will actually draft responses to its own proposals on behalf of the government. None of this sits well with knowledgeable Ghanaians. The way in which government policy decisions are so tightly controlled and the relative absence of debate and discussions about policy, create a situation in which decisions lack legitimacy as there are no checks and balances.

These moderate words described in a polite manner how the dictatorship of Rawlings became synonymous with the dictatorship of the IMF/IBRD. The real situation as the author experienced it was more serious than this. Secretaries appointed by the government, including Regional Secretaries of whom the author was one of those appointed by radio without consultation, wondered whether Ghana was a sovereign state with the PNDC at the helm of affairs or whether Ghana had been colonized by the IMF/IBRD.

The IMF/IBRD directed ERP deepened Ghana's economic crisis in such a way that any apparent successes might be described as marginal or temporary illusions. Because of lack of participation by the more competent Ghanaians, very serious mistakes were made including the repetition of some mistakes of the past as if Ghana never learns from history. Some of the mistakes made enlightened Ghanaians wonder whether the IMF and the IBRD were in Ghana to further their own interests, ideologies and other agendas or to help Ghana overcome its economic problems. The mistakes and their impact on the economy illustrate how dangerous it is for a country to sacrifice its sovereignty and entrust the planning of its economy to outsiders. Had Ghana pursued its own consensual culture of decision-making by encompassing coalitions, these mistakes might have been avoided.

One of the serious mistakes of the ERP was an overemphasis on the production of cocoa at the expense of food production and other export crops. This is a mistake that might have been avoided if sensible lessons had been drawn from Ghana's economic history in planning the ERP. Because of the mono-crop economy based on cocoa, Ghana had been very vulnerable to fluctuations in the price of cocoa on the world market. Furthermore, as explained earlier, the behaviour of cocoa on the world market is known to be unitary elastic so that an increase in production leads to decrease in price in such a manner that revenue remains almost the same. In addition, because cocoa is not consumed to any appreciable extent locally, the cocoa economy is almost entirely reliant on the external market characterized by price instability for its survival. Therefore, any solution to the economic crisis that did not take diversification as one of its principal objectives is meaningless and unwise. Thus, the focus of the ERP on cocoa production cast doubt on the genuineness of the intentions of its advocates, be it the PNDC or the IMF/IBRD.

Furthermore, food self-sufficiency and security have been problematic ever since colonial policies converted Ghana into a mono-crop cocoa economy. Indeed, since the colonial times, food crisis has been translated always into political crisis. Food imports had aggravated the balance of payments problem. That was why the OFY policy of the Acheampong era was intended principally to address the food problem. Neither the PNDC nor the IMF/IBRD might claim ignorance of the food problem especially when the IMF/IBRD claimed so much knowledge of the economic problems of Ghana as to dictate solutions. Surprisingly, the IMF/IBRD sponsored ERP did not deal explicitly with food production and compared to export crops the PNDC policy in the food sector was ambiguous, inadequate and undeveloped.

The ERP assumed simply that the market mechanism and response to relative shortages might bring both the export crop and the food market into equilibrium. Because of the focus on cocoa production, exchange rate policies were introduced to increase returns to cocoa producers. In the process, the price of non-food consumer items were raised faster than the increase in food prices and turned the internal terms of trade increasingly against food production. Thus, the mistakes of the Acheampong OFY

era were repeated through the ERP. The situation was dismal and the peasants responded to both the export price incentives as well as the food price disincentives (Table 3)

In addition, labour was attracted to the more affluent cash crop producers. The rehabilitation and harvesting of cash crops, especially cocoa, under the ERP were labour intensive and the cocoa farmers were placed in a better position to offer higher wages. Consequently, food production contracted relative to other sectors. The food problem was aggravated further by the inadequate attention given to food security. The ERP did not provide for food security and the PNDC paid lip service to plans for providing large-scale storage of the staple foods corn, cassava, yams, cocoyams, rice, and plantain. Food continued to rot during the peak seasons making it difficult to address the shortfalls of the lean seasons. Resort to food imports to meet the shortfalls continued to drain the scarce foreign exchange resources.

In spite of the attractive incentives, however, the export performance of the non-food sectors of cocoa, minerals and manufacturing were below expectation indicating that factors other than those considered by the ERP were at work. In the cocoa sector, some of the non-price factors overlooked were the age of the cocoa tree stock, the prevalence of the swollen shoot disease, shortage of labour with adequate skill and experience arising from the Alien Compliance Order of the Busia era, shortage of transport vehicles, and the poor state of the transportation infrastructure which is disproportionately more road-oriented than to rail-oriented. In spite of the price incentives offered, by 1988, only a quarter of the cocoa acreage might be said to be newly planted.

Table 3

Relative Prices of Food/Non-Food and Food/Cocoa

	77	80	81	82	83	84	85	86	87
Terms of Trade Food/Non-Food Consumer items	100	96	91	112	138	86	60	57	55
Relative Prices of Food /Cocoa Production	100	131	92	125	184	136	64	51	42

Source: Government of Ghana: Quarterly Digest of Statistics Vol. V, No.1, Statistical Service. Accra:

March 1987b.

Loxley, John op. cit., p29.

Because of the poor state of the mines and of the equipment used, returns on investment were below expectation. The performance of the manufacturing sector was undermined by the rigid IMF liquidity constraints, the requirement for 100 percent deposit for foreign exchange bids, and the unwillingness by the public to hold savings in the banks due to Rawlings' earlier destruction of the banking system. Because adequate consideration was not given to the obsolete state of equipment inaccuracies were introduced in the assessment of excess capacity. Consequently, despite price incentives, the manufacturing sector continued to perform far below designed capacities.

Meanwhile, inflation continued to gallop. The super high inflation began at the beginning of the ERP when the cedi was devalued by almost a thousand percent. The inflationary trend has been reinforced

further by the depreciation of the cedi resulting from a policy of auction in 1986 followed by a policy of unification of the exchange rate in 1987. Unplanned increases in wages in 1986 in attempt to reduce political tensions accentuated the inflation. An iterative process between demand for higher wages and higher inflation developed. Because of inefficiencies and rigidities in the tax collection system, the demand for higher wages had been met by increases in petroleum products, export duty on cocoa, and exchange rate depreciations which led to higher wage demands and cost-push inflation.

In spite of the successive devaluations and depreciations, the black market continues to thrive and points to the fact that some potent factors other than the market mechanism were not taken into account adequately in the assumptions of the ERP. Some of these factors are the desire to avoid tax, the flight of capital, and illicit trade.

Another problem with the ERP which divided the coalition was the speed of divestiture of State Owned Enterprises (SOEs) resulting from pressures from the IMF/IBRD. It became evident that it was the Bank and not the PNDC that was specifying the speed of divestiture.⁹² Some elites doubted the capacity and ability of the private sector to fill the gap created by the IMF/IBRD liberalization policies channelled through the ERP. The dismantling of the state-owned Food Distribution Corporation without adequate assurance of a competent and effective private organization to replace it was seen as tantamount to sabotage rather than as a constructive move.

Moreover, the IMF/IBRD pressed for divestiture of the CMB at a time when a similar action in Nigeria had the effect of increasing capital flight and deteriorating cocoa quality.⁹³ The Produce Marketing Corporation (PMC), a subsidiary of the CMB had been operating efficiently at the field level and had won

⁹²World Bank, 1987a, Report and Recommendations of the President of the IDA to the Executive Director on a Proposed Development Credit of SDR 26.9 Million and a Proposed African Facility Credit of SDR 64.0 Million to the Republic of Ghana for a Structural Adjustment Program. Washington, D.C.:March 23 1987a.

⁹³African Concord, July 23, 1987, p.44.

the confidence of the farmers who feared the evils of privatization associated with the past.⁹⁴ But the Bank insisted on the disbandment of the CBC. To these elites, the attitude of the Bank displayed either ignorance of Ghanaian conditions or neo-colonialist intentions. Because of the liquidity squeeze and the exchange rate depreciations enforced by the Bank through the ERP, the chances of Ghanaians buying the SOEs had become slim.

The nationalist minded elites and the socialists argued that the divestiture program had made it abundantly clear that the whole IMF/IBRD supported ERP was neo-colonialist and intended to sabotage the earlier revolutionary spirit of the PNDC. Many were relieved of their appointments for their stand against the ERP, and the coalition grew weaker.

Neglect of the social impact of the ERP also created problems. Because of the weakness of the PNDC coalition and the numerous coup attempts, the PNDC considered any mention of the social effects of the ERP to be placing ammunition effectively in the hands of the opponents of the ERP. It was only in 1987, after the PNDC felt that opposition to its rule had been crushed effectively, that the government felt confident to convene a task force to draw up concrete proposals which were put to donors in December 1987. Neglect of sanitation and water led to deterioration in primary health care. Neglect of distributional consequences deepened, while embarrassing social problems such as prostitution, suicide, corruption, dropout from school and breakdown of family relations continued unabated.

Despite all these sacrifices of Ghanaians, the ERP had not been the blessing it was supposed to be. Before the ERP, Ghana was in debt but not in any serious debt service problem. As noted earlier, because of elite disunity and violation of the consensual culture, the IMF/IBRD alliance had the free hand to dictate Ghana's economic policy to the inexperienced and incompetent elites of the PNDC in such a way as to trap Ghana into deepening its debt and to saddling the nation with a heavy debt servicing problem. In addition, as shown in the earlier statistical analysis of the economic crisis of Ghana in part two of this

⁹⁴Seini, Wayo; Havell, John and Commander Simon. "Agricultural Policy Adjustment in Ghana". London 1987, pp20-22.

dissertation, the total debt stock grew from 1.4 billion US dollars in 1980 to about 3.5 billion US dollars in 1990. The long term debt was about one billion US dollars in 1980; by 1990 it had grown to about 2.7 billion and equivalent to about 353 percent of export earnings. The average debt service has been about half a billion dollars since 1987 which is about one-third of the total debt stock in 1980, that is, before the recovery program began. The debt service is estimated to be more than 50 percent of export earnings and still growing because the grace periods for certain loan payments are over. Interest payments on debt alone was about 10 percent. The reserves to debt ratio was reduced from about 23.4 percent in 1980 to the precarious low value of 8.8 in 1990.

In spite of the dismal situation, the IMF/IBRD claims the ERP to be a success story and the praise-loving PNDC members are comforted by these statements of success for fear that any admission of failure might lead to serious political consequences. Thus, because of elite disunity, the PNDC coalition does not want it to be known that the ERP has been a total failure. The government prefers to point to economic growth as an indication of the success of ERP rather than the result of a temporary improvement in the terms of trade for Ghana's products, decline in the prices of petroleum products and good weather. Export recovery due to increases in the price of cocoa was interpreted as the result of favourable ERP producer prices for cocoa, although it takes years for newly planted cocoa seedlings to yield, and smuggling of cocoa is limited to the border areas where it is carried as head loads. When the government reduced the debt and arrears on paper through inflows of foreign capital with 60 percent coming from the IMF and 14 percent coming from the World Bank, it was called a success as if the amounts were grants never to be repaid.

The diversionary tactics of the PNDC, however, did not last long. When the expensive short term IMF credits became due in 1987, the debt service burden increased to more than 60 percent of export earnings and the success story became exposed as an illusion.

The political consequences of the ERP have been grave but because the PNDC fears its own shadows, the PNDC has been ambivalent in leaving the political scene. The repressive measures in support

of the ERP have been very severe resulting in further division of the elite. The fear of reprisals on handing over power urges the government to cling to power and legitimise its rule. To legitimise its rule, the PNDC called for a return to civilian rule in 1992 through the same alien ballot box technique of partisan politics. The process of return to civilian rule revealed how divided the political elite was. It confirmed that the political elite still does not perceive that the roots of the economic problem are to be found in the political process, where violation of the consensual culture and emulation of foreign ideological and political practices divide them and undermine nationalist aspirations.

The disunity of the political elite was manifest in the proliferation of political parties. It was rumoured strongly that fearing elite disunity and possible reprisals against his supporters, Rawlings arranged for the Presidential elections to coincide with the Presidential elections of the United States to divert world attention and as a cover up to rig the elections. The other political parties reacted by announcing their boycott of the Parliamentary elections resulting in political confusion and violence. Several people were killed and indications were that tribal sentiments had greatly aggravated the confusion arising from partisan politics. Once again, the western type of democracy was translated in the Ghanaian political pot into democracy and national disunity which might undermine any confidence in the Ghanaian economy that the ERP might have induced. If the current wave of violence continues, there is a great danger that civil war might break out and throw the nation into greater economic and political crises.

SUMMARY

The historical analysis of the PNDC era confirmed the following: The Ghanaian elite were divided and unable to form an encompassing coalition to pursue nationalist objectives; because of elite disunity, political power and policy-making went into the hands of the inexperienced and incompetent; elite disunity enabled the IMF/IBRD to trample upon Ghana's sovereignty and to dictate economic policy; the satisfaction of the requirement of a repressive government to implement IMF conditionalities divided the elite and set

off centrifugal forces with tribal undertones; Because of the violation of the consensual process, avoidable mistakes, including the repetition of the mistakes of the past, were made in the formulation of the ERP; Ghana embarked upon the ERP with no serious debt burden but now it has a very serious one which has been growing ever since 1987 and averaging about half a billion dollars, equivalent to about one-third of the total debt stock in 1980 before the ERP began, and over 50 percent of export earnings. The Ghanaian elite have also failed to realize that the emulation of alien ideologies and practices are the political roots of the economic problem and have gone back to partisan politics. Recent events including the proliferation of political parties; accusations of rigging of elections; refusal by political parties to participate in the Parliamentary elections; and killings of political opponents all point to the unsuitability of an alien political culture in the Ghanaian environment and the likelihood of a deepening of the political and economic crisis.

PART SIX

CHAPTER EIGHT

EXPLANATION OF THE AGRICULTURE-INDUSTRY INTERFACE

In the preceding chapters, historical evidence was advanced to substantiate the thesis. The validity of a thesis may be verified by its ability to explain what is observed. This section aims at verifying the explanatory power of the thesis by showing how it explains and subsumes the stipulated problems of the agriculture-industry link. It will be explained that the stipulated problems of the agriculture-industry link are reflections of the inability of the Ghanaian political elite to build a strong, united and encompassing coalition in accordance with the indigenous consensual political culture of Ghana.

As explained at the introductory section of the thesis, one of the identified problems of the agriculture-industry link is inadequate forward and backward linkages between agriculture and industry which has contributed to a process of import reproduction in which there is little transfer of technology and minimal usage of local inputs instead of import substitution in which there is substantial transfer of technology and local substitutes as inputs. The resulting import-dependent industrialization could not be supported by export earnings. In the process, both the agricultural base and the industrial sectors were weakened continuously resulting in the present economic crisis. Whilst the complex economic crises of Ghana might not be reduced simply to inadequate forward and backward linkages between agriculture and industry or import reproduction, these factors might constitute a pointer or a reflection of a deep-seated root problem.

As noted Part One, in the introduction to the thesis, a successful import substitution strategy leading to export oriented strategy requires a strong political coalition capable of defining and sustaining coherent policies and cushioning the stresses and strains that might accompany development. In the

particular case of Ghana, a strong and competent coalition was required to plan and implement policies and to overcome the resistance to import substitution posed by foreign merchants and their Ghanaian alliances who benefited from the lucrative import-export trade. On the contrary, the historical experience of Ghana speaks of weak and unstable political coalitions during the periods of major industrialization, the Nkrumah and NRC eras. Alien partisan politics and the concept of enemy divided Ghana into two camps during the Nkrumah era and placed political power in the hands of the camp that was incompetent, a condition that was even deplored at that time by Reginald Salway, the Colonial Secretary. These incompetent elites were responsible for adopting policies of import reproduction instead of import substitution.

Because of the inability of the governing elite to plan the development path, and the adoption of the concept of "enemy" arising from alien party politics, they had to invite the services of a foreign economist, Arthur Lewis. The development strategy that Lewis proposed was industrialization by invitation which placed the nature of industrialization dangerously at the discretion of foreign capital. It turned out that the only type of foreign capital that showed any interest in Ghana was merchant capital which did not want to engage in any type of industrialization that might be harmful to the import-export trade. As a consequence, the nature of the little industrialization that took place was import reproduction that did not take local resources into consideration.

Later, when the government declared socialism as the guiding principle to development, the type of capital that poured into Ghana was in the form of suppliers credit in which lagging industries in Europe defined and financed projects at no risk whatsoever to themselves. The ventures undertaken were mainly the acquisition of unproductive capital or import reproduction. A major industry that might provide a vertical integration of cocoa products and constituted a major backbone to Ghana's economy, the Drevici project, was in progress when Nkrumah was overthrown and was abandoned subsequently because of the notion of enemy.

The industrialization drive of the Acheampong NRC era suffered a similar fate. Power went into the hands of a military elite coalition that had no experience in development policy planning and

management. The government failed to establish an encompassing coalition of elites and the qualified elites refused to co-operate with the government. As a consequence, the type of industrialization that took place was mainly import reproduction that did not take into consideration the backward linkages to local inputs. For example, textile factories were established without first ensuring adequate supply of cotton from local sources although cotton can do well in Ghana. Also, consideration was not given to providing forward linkages to certain industries such as the by-products of Ghana's oil refinery.

The second identified problem of the agriculture-industry link, the expansion of industry in the context of misguided capital intensive policies (involving tariff protection for the industrial sector) that turns the internal terms of trade against agriculture, is a reflection of the violation of the indigenous consensual culture. With alien party politics placing political power in the hands of the incompetent, qualified professionals refusing to co-operate with governments, industrialization proceeding at the discretion of foreign advisers and foreign capital what else might be expected but misguided and inappropriate technology in industrialization and an imbalance in the development planning as a whole? A typical capital-intensive venture was a sugar factory at Asutuare that was difficult for local technicians to maintain; presented spare parts procurement problems, provided very little employment; and became a white elephant within a very short time. The factory was supposed to produce enough sugar to satisfy Ghana's sugar requirement and export. Because of maintenance problems, it could not produce sugar for over ten years. Such capital-intensive projects were not only wasteful in resources but did not help in maintaining a balance between production and consumption through income distribution. The associated tariff protection had the effect of encouraging industrial expansion at the expense of the contraction and weakening of the agricultural base.

The third problem is concerned with specific institutional structures which influence policies and are related to urban bias. In other words, certain urban-based institutions influence the direction of policies disproportionately. A suggested solution to this problem is an encompassing coalition capable of formulating, sustaining and implementing coherent policies, but how that coalition is to be created and

sustained remains a problem. This view recognizes essentially one of the principal characteristics of the indigenous consensual system, the formation of an encompassing coalition. It fails to recognize, however, that the cherished encompassing coalition has to be compatible with the indigenous political culture and leaves a gap on how the coalition is to be formed. This thesis fills the gap by stimulating the awareness that the method of formation of an encompassing coalition is to be found in Ghana's own history. It points out that Ghana's own political culture might be modified to suit the requirements of modern government and might be more appropriate than the alien political cultures which have so far compounded the nation's problems.

The fourth identified problem stipulates that employment on non-food production reduces the size of the food surplus provided by those who remain in production. Solution to this type of problem requires the existence of a government capable of adopting policies that might maintain a balanced flow of resources within agriculture and from the agricultural sector to other sectors. It was pointed out at the introduction of the thesis that if these harmonious relationships within agriculture and between the agricultural and the other sectors are jeopardized, the consequence might be a vicious cycle of economic and political crises. With the serious violation of the indigenous political culture, alien partisan politics placing power into wrong hands; the notion of enemy preventing co-operation between the qualified professionals and governments; it became difficult for those in power to plan effectively to maintain the harmonious balance in the flow of resources within agriculture and from agriculture to the rest of the economy. For example, after the Alien Compliance Order of the Busia era, policies were not developed to maintain a balance between the flow of labour power from food production to cocoa production. The short-term consequence was a sharp drop in food production with an attendant high food import bills. Also, during the NRC era the government failed to maintain a balance between food production and cocoa production when the Operation Feed Yourself (OFY) policy failed to satisfy Ghana's food requirement. As a consequence of refusal on the part of the government to import food to address the shortfall, relative food prices favoured a shift from cocoa production to food production with disastrous consequences for foreign exchange

earnings. Also, proper care was not taken to ensure that military expansion and the expansion of the service sectors did not jeopardize the agricultural sector as a whole and the food sector in particular. Thus, violation of the consensual culture resulted in imbalances in policy planning that affected food production in particular and disturbed the harmonious relationships in the flow of resources.

The fifth problem identified is that the development of the agricultural base has been undermined through failure to introduce or implement land reforms necessary to support effective production. During the Nkrumah era, land reform acts were introduced to overcome problems associated with the communal land ownership system, but after the overthrow of the Nkrumah regime, no government was brave enough to implement them. The rationale behind this behaviour were explained as follows: because the consensual process was violated in the introduction of the acts, the chiefs and the land-owning groups refused to recognize them when Nkrumah was overthrown. In addition, because the succeeding governments were neither consensual nor encompassing, they were unable to forge strong coalitions capable of implementing the land reforms. Furthermore, Nkrumah's plans for the irrigation of the Accra plains to make Ghana both self-sufficient in food and a major exporter of food crops was abandoned when he was overthrown. As a consequence, actual output remained far below potential output.

The sixth identified problem of the agriculture industry link concerns the view that the agricultural sector has been stifled through the deliberate manipulation of price signals by political and other vested interests. It confirms essentially how dangerous it might become when governing elites are not encompassing and when the consensual culture is violated. It holds that extraction of surplus has been excessive and the surplus so extracted has been invested unwisely in industry, to build political support or has been misappropriated by government officials. Local elites are accused of deliberate suppression of agricultural prices to maintain low cost food supply for urban dwellers; deliberate currency over-valuation and controls which impose a hidden taxation on agriculture and creates a Ricardian rent which elites misappropriate; and widespread use of parastatal corporations which, in Ghana, were corrupt and inefficient.

Manipulation of prices to create Ricardian rents that might be appropriated for political purposes is a consequence of the introduction of partisan politics in violation of the non-partisan consensual culture of Ghana. Moreover, as partisan politics placed power in the hands of incompetent elites and the notion of enemy alienated the qualified professionals from effective participation in the decision-making process of government, the surplus extracted from agriculture after the tactical action phase could not be invested wisely to maintain a harmonious balance between industry and agriculture. The weakening of the economy during the tactical action phase had its own long-term effects which were superimposed upon the current situations and aggravated the problem of maintaining the required harmonious relationship between the two sectors.

SUMMARY

The identified problems of the agriculture-industry link advanced by some observers to explain the economic crises of Ghana might be considered as having no lives of their own but be merely reflections of the violations of the indigenous political culture in the same manner that the moon is an intermediary object or interface that only reflects the light of the sun upon the earth. For this reason, they might be subsumed by the thesis that the economic crisis of Ghana is rooted in the political, that is, the inability on the part of the Ghanaian political elite to build a strong, united and encompassing coalition compatible with the indigenous political culture, to define and sustain coherent policies, and maintain an advantageous and dynamic comparative advantage.

CHAPTER NINE

CONCLUSION

The preceding chapter demonstrated the explanatory power of the thesis in the particular area of the agriculture-industry link and how it subsumes other postulates noted earlier in the introductory chapter one. The thesis is concerned with the fundamental factor responsible for Ghana's economic crisis. It locates this fundamental factor essentially within the political and states: "That the inability on the part of the Ghanaian political elite to create an encompassing and effective coalition compatible with the indigenous and consensual political culture of Ghana and capable of defining and sustaining policies appropriate to the long term interests of the nation might be the primary cause of the economic crisis". The thesis recognizes that because of the necessity for effective economic planning and implementation, and tensions associated with the political economy and the cosmopolitical economy, successful economic development whether by associative or dissociative posture demands the prior existence of certain political pre-requisites. In this context, the political economy is concerned with the development of productive powers and the political effects accompanying it. Cosmopolitical economy is concerned with the exchange of commodities among nations and the associated political effects and linkages. Political conditions are deemed appropriate if they enable governing coalitions to integrate the interests of society; cushion and control strife accompanying development; and define, pursue and sustain coherent and nationalist development objectives. The appropriateness of these political conditions depends upon the cultural environment. For example, a society with an authoritarian political culture might be more prepared to accept authoritarian instruments or measures of control than a society with an open democratic culture. Thus, what might be described as a suitable prescription in one cultural environment might be a complete misfit in another.

4

OF/DE

4

PM-1 3½"x4" PHOTOGRAPHIC MICROCOPY TARGET
NBS 1010a ANSI/ISO #2 EQUIVALENT

PRECISIONSM RESOLUTION TARGETS

One of the political prerequisites in any cultural environment is a State capable of maximising the gains from external co-operation and channelling these gains into building a dynamic comparative advantage. As explained at the introduction to the thesis, in an associative development posture, especially, in the export-led strategy, the opportunities opened in the external environment may produce inequalities and dislocating consequences in the political economy. A second political pre-requisite is the existence of a State capable of exploiting the opportunities in the international economy as well as absorbing or bringing the adverse political effects under control. Moreover, because of tariffs, quotas, and various protectionist measures, free trade among nations does not take place under conditions of laissez-faire. A third prerequisite is a State capable of adopting strategies to minimise the adverse effects of the failures of the international market.

Problems arising from the home front call for additional political prerequisites. For example, left on its own, private enterprise may be tempted to pursue its narrow self-interest which may be unrelated to the national aspirations of dynamic comparative advantage. Also, because of external economies and free ride and merit goods problems arising from failures of the internal market, private enterprise may be unwilling to invest in certain projects. A government capable of effective planning, provision of necessary incentives, and effective intervention where necessary is required if the development objectives are to be achieved.

Indeed, the historical examples of successful associative development strategies of the Newly Industrialised Countries of Asia (Singapore, South Korea, Taiwan) show that these countries followed market signals to identify their initial comparative advantage in the international division of labour but they did not stick slavishly to this initial comparative advantage. State interventionist techniques were used to develop a dynamic comparative advantage and domestic means were devised by the State to control the adverse consequences. Their experiences confirmed that the mutual benefit claim of cosmopolitical economics may be applicable only under conditions of judicious intervention of the State.

Even in dissociative posture, State intervention in the economic arena might be inevitable. Groups

which benefited from a previous associative posture or who expect to gain from an associative posture might resist dissociation. The problem might be complicated further by the rich experience acquired by these groups which make them indispensable in the development process. The extensive and intensive character of the dissociative posture might pose its own problems to the State. The tendency in developing countries to look down upon indigenous processes and technology might pose additional problems to the dissociative posture requiring State intervention. Hence, although the influence of the international situation on domestic factors might be undeniable, in the final analysis, the success or failure of both the associative and dissociative postures might be determined by internal factors. Chief among these internal factors might be the ability and capacity of governing coalitions to define and maintain coherent policies and to control the adverse effects of development within their cultural environment.

The thesis holds essentially that the Ghanaian political elite might have been able to achieve the political pre-requisites for successful economic development through the indigenous political culture based upon the consensus of encompassing coalitions but failed to do so. By forsaking the indigenous political culture to blindly emulate alien political culture, the Ghanaian elite failed continuously to achieve the appropriate political conditions. The consequence was continuous economic mismanagement culminating in the present economic crisis. The nature of the thesis and the elite analysis approach adopted called for a need to be both historical and empirical.

In the elite analysis approach, successive governments of Ghana were considered as shifting coalitions of elites. Because none of the governments adopted the consensual political culture, it became difficult to operationalize or represent that factor directly as a longitudinal variable. An indirect approach was adopted to reveal the effect of this persistent factor on both political and economic variables. The effect of selected variables identified as independent on other selected variables identified as dependent were analyzed at the aggregated level of gross national product and the disaggregated sectoral level. The rationale is that if there is some factor at the roots that is responsible for changes in both the dependent and independent variables, the results of the analysis of the effect of the independent variables on the dependent

variables at the disaggregated level will differ considerably from the results of the analysis at the aggregated level. This fundamental factor may be a variable, a constant and may exist prior to, at the same time, or after the independent variables. In other words, the fundamental may behave both as an explanation control factor, and as an intervening control factor. Such a situation is considered plausible since the fundamental factor may affect the independent variables initially, but the independent variables may, in turn, contribute to its persistence.

The independent variables identified were the degree of political unrest (the total number of events indicating political unrest within a period), the intensity of political unrest (the degree of political unrest within a period divided by the duration of the period), the international terms of trade, the exchange rate, and the size of the population. The aggregated dependent variable was the growth of gross domestic product per capita. At the disaggregated level, the dependent variables were identified as the growths in agriculture, industry, manufacturing, domestic investment, services, exports and imports. To minimise errors due to multicollinearity of the independent variables, the Pearson correlation coefficients of paired combinations of the independent variables were obtained. Sets of independent variables with correlation coefficients of 0.7 and above were disqualified from multiple regressions with the dependent variables.

The statistical analysis revealed that the independent variables were themselves under the influence of some fundamental factor that might be at the root of Ghana's economic crisis. At the aggregated level of gross domestic product, the independent variables had strong and significant relationship with the dependent variable. The Beta weights of the individual independent variables of the regressions showed significant contributions. The degree of political unrest and the intensity of political unrest both showed significant negative impact on the growth of gross domestic product indicating that the cumulative political unrest and the intensity of political unrest were both important factors. But at the disaggregated level, the picture was quite different. Except for the service and import sectors, the combination of independent variables did not reveal strong and significant relationships with the dependent variable. Also, the corresponding Beta weights were not significant. In the investment sector, the combinations of independent

variables did not yield any strong relationship, but the Beta weights of the terms of trade, population size, and exchange rate were significant compared with the degree of political unrest or the intensity of political unrest.

The discrepancy between the relationships at the aggregated level of gross domestic product and the disaggregated sectoral level indicated that existence of a fundamental factor or causal tensor that influenced both the independent variables and the dependent variables. It became necessary to identify what the fundamental factor or causal tensor might be.

The statistical analysis itself provided some clues for the identification and definition of the fundamental factor. It was noted that at the disaggregated level, the sets of independent variables did not show any significant relationships with the agricultural, industrial, manufacturing, and export sectors. But the economy is agricultural and heavily dependent on the export of cocoa. Also, Ghana has been engaged in the export of mining products and had attempted to diversify the economy through manufacturing. Therefore, the results of the statistical analysis and the economic crisis itself show that the fundamental factor might have prevented the Ghanaian elites from adopting and sustaining coherent and effective policies in the agricultural, industrial, manufacturing and export sectors thus failing to use the gains from trade to build a dynamic comparative advantage for the nation.

Also, a major factor which motivated the Ghanaian elites to fight for independence was the country's endowment and potential in human and material resources. Therefore, the economic crisis is a clue that suggests that the fundamental factor might have prevented competent elites from assuming the reins of government. Moreover, even if competent elites had assumed the reins of government, the same fundamental factor might have prevented them from planning and implementing effective or nationalist economic policies. In the agricultural sector, for example, elites might have been prevented from initiating or implementing appropriate land reforms. In general elites might have been prevented from providing the necessary incentives or intervening effectively to exercise necessary controls.

It was noted that the independent variable of population size and foreign exchange did not have

significant Beta weights in the analysis of their effects on the agricultural, industrial, manufacturing, and export sectors. This result was recognized as a reflection of the inability of the elites to adopt appropriate policies or to provide the necessary incentives to mobilise the growing population for more productive work due to the fundamental factor. It suggested that the elites might have been prevented from implementing appropriate and effective pricing policies including money pricing or foreign exchange policies, to ensure efficient allocation of resources and to encourage exports. Indeed, the historical analysis which followed showed how various governments of Ghana became unpopular and were overthrown when attempts were made at introducing pricing policies appropriate to the resuscitation of the economy.

Moreover, the statistical analysis showed that the degree of political unrest and the intensity of political unrest both did not have significant effects at the disaggregated level suggesting that it was not political unrest per se that was at the roots of the economic crisis but a more fundamental factor. Indeed, the discrepancy between the significant and negative effects of the degree of political unrest or its intensity at the aggregated level of gross domestic product and their insignificant effects at the disaggregated levels confirmed that a more fundamental factor acting through political unrest and related channels was responsible for the economic crisis.

Another clue was obtained in answer to the question of what happened to the healthy Ghanaian reserves of the pre-independence era of the early 1950s? The economic crisis itself and the persistence of the vulnerable mono-crop economy testify that some fundamental factor prevented the elites from using the healthy reserves of the pre-independence era and subsequent gains from international trade to build a sound and diversified economy based upon a planned dynamic and effective comparative advantage and improved terms of trade. Indeed, the historical analysis confirmed that during the tactical action phase of the pre-independence and post-independence era, Ghana's reserves became depleted and surpluses were siphoned off overseas resulting in economic stagnation as elites struggled for power through alien party politics and ballot box technology.

Considering the statistical facts and the potential human and material resources of Ghana, the

fundamental factor most likely to have affected the performance of the Ghanaian elite adversely was identified to be their inability to build a united and strong encompassing coalition compatible with the indigenous consensual culture of Ghana and capable of defining and sustaining nationalist economic policies while enjoying the effective support of the major sections of Ghanaian society. This identification was plausible considering that, in the absence of party politics and foreign ideologies, Ghanaian elites acting through their own consensual organizations such as the Aborigines Rights Protection Society (ARPS) were able to pursue nationalist interests even under colonial rule. But given the authority of internal self-government and independence coupled with alien party politics and ideologies the result has been retrogressive, culminating in a vicious circle of political and economic crises in which the political crisis preceded the economic crisis initially.

It remained to confirm the thesis derived from the statistical analysis with a historical analysis of related political and economic events. But before the historical analysis, it was considered appropriate to answer the question "why did the Ghanaian elite behave politically and persistently in a manner that was so injurious to the health of the economy of their own nation?" To answer this question, it became necessary to find out, in general, how Ghanaian elites perceived successive governments of Ghana and the relationships between conformity with the indigenous political culture, political stability, and economic effectiveness. It was recognized that although the various governments were not guided by the consensual political culture, some governments approached some characteristics of the indigenous culture more closely than others.

A questionnaire (appendix B), was sent to Ghana and to Ghanaians resident abroad to elicit the perceptions about the various regimes. Reliability analysis and Likert scaling techniques were used to estimate perceptions of the degree of conformity with the indigenous political culture, political stability, and economic effectiveness of the various governments. The scaled variables were analyzed to determine the perceived relationships among them.

The results showed that Ghanaians perceive the various regimes as not conforming adequately to

the indigenous consensual system. However, it is perceived that the more closely the characteristics of a government approached that of the indigenous system, the more stable it became. Also, Ghanaians perceive a significant relationship between the economic effectiveness of a government and the degree of conformity with the indigenous culture as well as the degree of political stability, but perceive the strengths of associations to be weak. Ghanaians perceive a strong positive relationship between the degree of conformity with the indigenous political culture and political stability. It is perceived that deviation from the indigenous political culture might be the major cause of political instability but neither of the two is perceived to have a strong relationship with economic effectiveness. In other words, Ghanaians make the mistake of assuming that successful economic development is possible within an environment of political instability. The political preconditions for successful economic development are taken lightly. It means that there is little regard for political agency. This kind of perception is possible when economic development is perceived to be structurally determined. Under such a perception, Ghanaians are more apt to blame the economic crisis principally on international economic and political structures, unexpected events in international markets such as the oil pricing and monetary shocks, and natural disasters. It might be undeniable that international economic and political structures and associated forces, unexpected events in international markets are constraining, but they might not be determining.

The erroneous perception of Ghanaians about the relationship between the degree of conformity with the indigenous political culture and political stability on one hand and economic effectiveness on the other was regarded as a pointer to why and how the economic crisis came about. If Ghanaians had diagnosed or forecast that the primary root of an economic ailment might be political instability arising from elite disunity and cultural misfit between them and alien political systems, the necessary corrective action might have been taken to avoid the situation. With the erroneous diagnosis, the economic crisis became more probable. In particular, a structuralist perception or interpretation of the economic crisis was considered dangerous since governments might feel absolved from blame claiming that nothing can be done about a structurally determined condition. On the other hand the recognition of the effectiveness of

political agency might lead to constructive and progressive action since structures are seen to be constraining, but not determining, and governing elites might be held accountable for the outcomes of their policies.

The historical analysis became necessary to confirm that by failing to create the conditions compatible with effective political agency in their own cultural environment, the Ghanaian political elite paved the way consistently for the economic crisis.

The historical analysis confirmed that the Ghanaian political elites did not adopt the indigenous consensual system, allowing themselves to be divided through alien party politics and ideological practices and thereby failing to build an effective coalition. In the ensuing political and ideological struggles, political power went into the hands of the camp of incompetent elites of the Convention Peoples Party, during the Nkrumah era, who compromised the economic interests of Ghana for their selfish political ends and laid the foundation of the present economic crisis.

Through alien party politics, political power was concentrated in the hands of few party functionaries. As a consequence, the political bases of the ruling party coalitions were narrower, by far, than what might be expected under the indigenous consensual system. Because the major groups were neither consulted nor participated in decisions that affected them after the national elections, they refused to lend their support so long as the decisions were not in their short term interests. There was tension between the consensual behaviour that Ghanaians expected of a government and how governments actually behaved under the party system of government. Also, the ballot box process had the effect of excluding ethnic groups that did not support the winning party from participation in government resulting in a feeling of mistrust and alienation. In addition, the culture of party politics was not well understood by both the elites and the masses. The supporter or member of a different party was considered an enemy whose ideas were to be rejected at all times, an attitude derived from the traditional indigenous culture. This mentality rendered the formation of an encompassing coalition based on consensus very difficult to achieve and encouraged succeeding coalitions to discontinue even the good policies and projects of the governments they

replaced.

Because the military governments were not organized in accordance with the encompassing consensual system, their political bases were narrow and suffered the same fate of lack of support for their policies. The narrow base of the ruling coalitions coupled with the fear of adverse political repercussions discouraged the pursuit and implementation of policies which might have been in the long term economic interest of the nation and compelled elites to detrimental compromises resulting in the present economic crisis.

The following main points in support of the thesis were derived from the historical analysis of specified periods.

THE PRE-INDEPENDENCE PERIOD

Before the beginning of the independence struggle, the Ghanaian elites failed to forge a united coalition and allowed themselves to be divided into two camps with the indirect rule chiefs on one side and the lawyers on the other. Ghanaian politics was characterized by lobbying by the two camps for support from the colonialists with the British Labour governments preferring the camp of the lawyers and the Conservative governments preferring the chiefs.

The United Gold Coast Convention (UGCC), the first elite organization for the struggle for independence did not embrace the indigenous system of encompassing coalitions. It adopted an elitist attitude which restricted itself to the top echelon of the elite structure and alienated the lower educated echelons and the masses. Unlike the elites of the previous era, the UGCC coalition failed to organize the masses against the establishment of the Cocoa Marketing Board by the British Labour government as an instrument for the siphoning off of surpluses for post-war reconstruction projects in Britain whilst economic development stagnated in Ghana. In addition, it allowed itself to be divided through the British manipulation of the invitation of elites to participate in the Coussey Constitutional Committee. The failure

of the UGCC to protest against the exclusion of its own General Secretary from the Committee marked the turning point in Ghanaian history when alien party politics entered the political arena. It then became more difficult for the elite to form a united and encompassing coalition. The alien party politics aided by the notion of the other party as an enemy, divided the elite into two antagonistic camps and placed political and decision-making power in the hands of the camp that was incompetent to rule.

The ensuing political struggle between the two camps for British favour resulted in the policy of tactical action through which the economy of Ghana was deflated continuously and principally through the Cocoa Marketing Board (CMB) and secondarily through the foreign-owned banks and firms. The continuous siphoning of surplus and deflation of the economy deprived Ghana of the opportunity to invest in development projects to restructure and diversify the economy. The consequence was a persistence of the vulnerable and mono-crop character of the economy with attendant unfavourable terms of trade whenever the price of cocoa dropped. It is within the context of the policy of tactical action that the political independence of Ghana might be said to have not been won free but purchased from Britain with the economic blood of the nation. Also, the division of the elite into two antagonistic camps discouraged the ruling Convention Peoples Party (CPP) government from seeking or trusting the much needed economic advice from the competent elites of the opposing camp.

In addition, Ghanaian politics became characterized by violence in which several people lost their lives. Ghanaians who were united during the era of the Aborigines Rights Protection Society (ARPS) and the era of the cocoa boycott became so divided under partisan politics that the economic future of the nation was compromised and Ghanaians turned violence upon themselves instead of upon the colonialists. It is in this context that it might be said that the western political culture of representative democracy became translated in the Ghanaian political environment not to mean the indirect rule of the common people (*demos* *kratos* - the authority of the common people) but a demonstration of both political and economic craziness (democracy). Blinded by their admiration of western political culture and ideological practices, the Ghanaian political elite of that period failed to realize that the fundamental problem of the economy was

not the policy of tactical action per se but the unsuitability of alien party politics to the Ghanaian environment.

THE POST-INDEPENDENCE NKRUMAH ERA

The historical analysis of the post-independence Nkrumah era confirmed that the Ghanaian political elite failed to forge a united and encompassing coalition compatible with the consensual political culture to achieve the necessary political conditions for successful economic development. The following consequences of elite disunity were noted: The policy of tactical action was continued for the major part of the period; because of elite disunity, economic resources were diverted towards unproductive military expansion; despite protests and wise economic advice from the more qualified and competent elites of the parliamentary opposition, the CPP government adopted the Lewis strategy of development by invitation of foreign capital which damaged the economy very severely; because the notion of enemy and partisan politics alienated the more competent elites from participation in the decision-making process of government, Ghana fell into a debt trap through a system of suppliers credit.

It was noted that: the embracing of the alien ideology of socialism reinforced the division of the Ghanaian political elite into two antagonistic camps; because the alien ideology of socialism was not understood well, there was a misfit between the CPP elites and that ideology to the extent that what was termed as socialism was in effect a mixed economy and the rejection of the fundamental principles of socialism.

On the political front, because the policy of tactical action was fundamentally a product of partisan politics, it was abandoned when the CPP government perceived that all opposition to its rule had been crushed. Also, it was noted that the overthrow of the Nkrumah regime was a consequence of the inability of the CPP to form a strong and encompassing coalition on the one hand and the other blind assimilation by the military elite of a western ideology which advocated military rule in developing countries on the

other. The military elite was encouraged in their desire to seize power by the disunity within the civilian section of the elite and the dismal economic situation both of which were consequences of violation of indigenous consensual culture. But the political elite, as a whole, failed to perceive the political roots of the economic problem and, therefore, repeated as well as increased their mistakes.

THE NLC ERA

The historical analysis of the National Liberation Council (NLC) era confirmed the following: The military elite violated the indigenous consensual culture by their inability to build a strong, united and encompassing coalition and thereby failed to achieve the political pre-requisites for successful economic development; disunity among the military elite was evidenced by the forced resignation of General Ankrah over a minor issue and the refusal of General Ocran to succeed him; the Ghanaian elite, as a whole, failed to perceive that alien party politics was unsuitable for the Ghanaian cultural environment and pressed for a return to civilian rule through the ballot box; violation of the indigenous culture expressed itself in the form of elite disunity, a coup attempt, and workers strikes which undermined the economic recovery process; because of the notion of enemy, the Peoples Popular Party (PPP) suspected as sympathetic to the CPP was banned; in the process of handing over power to rule through alien party politics and the ballot box process, the elite became divided on tribal lines and the nation became polarized with the Ewe tribe on one side and all others on the other to the extent that there was no Ewe representation in the subsequent government, an embarrassing situation which might not have been possible under the indigenous system.

On the economic front, the enemy concept was invoked to abandon viable projects which were started during the Nkrumah era. These included the Drevici project which was to provide a vertical integration of cocoa products to boost the economy and the construction of silos with food preservation facilities to enable Ghana to become self-sufficient in food. Also, the land reform Acts of the Nkrumah era were not invoked to boost the economy.

THE BUSIA ERA

The exclusion of the Ewe tribe from the executive of the Progress Party (PP) government through alien party politics with its ballot box technology was not conducive to the building of an encompassing coalition. The Ewes felt alienated from the national government and hoped fervently for the day when the PP government would fall. However, the Ewes were not alone in wishing the fall of the PP government. Sympathizers of the proscribed PPP including some silent supporters in the military were not happy with the PP government as well.

The PP government enhanced opposition to its rule by adopting a non-consensual attitude which made it difficult to forge an encompassing coalition which might represent the varied interests of the major sections of Ghanaian society. Because the consensual culture was violated, an Alien Compliance Order (which became detrimental to Ghana's economy) was introduced without proper consideration of its effects on the economy.

In addition, the following were observed: The enemy concept was invoked to dismiss civil servants arbitrarily; in contravention of the alien structured Constitution and the western democratic principles being emulated, the PP government considered its majority advantage in Parliament a licence to flout the constitutional provisions; because of the violation of the principles of the consensual process, the genuine austerity measures of the government to address some of the ills of the economy was misinterpreted and resisted so strongly that the government was overthrown in a military coup without any popular resistance.

THE MILITARY REGIMES: NRC, SMC1, SMC2, AND AFRC

The historical analysis of the National Redemption Council (NRC) Supreme Military Council number one (SMC1), Supreme Military Council number two (SMC2), and the Armed Forces Revolutionary

Council (AFRC) military regimes confirmed the following: The military elite were neither able to build a strong and united coalition within the Armed Forces nor to create at the national level a stable, strong, united and encompassing coalition capable of defining and sustaining coherent policies; the Operation Feed Yourself (OFY) policy of the NRC was undermined by the Alien Compliance Order (ACO) of the previous Busia era, the evils of the communal land tenure system that persisted as a consequence of the lack of will to enforce the land reform Acts of the Nkrumah era, and violation of the consensual process in the formulation of the policy; violation of the consensual culture led to a hasty policy of repudiation of debt (which the NRC did not have the will power to implement) without adequate consideration of the possible repercussions; the repudiation of debt created a loss of confidence in Ghana by foreign governments, investors and financial institutions with adverse consequences on the economy; because of the violation of the consensual process, the minority Ghana Bar Association (GBA) alliance, under the influence of alien ideologies, was able to oppose effectively the culturally compatible Union Government idea and to influence the SMC2 coalition to reject the majority decision; the disunity within the military elite arising from violation of the consensual culture became translated into coups and palace coups which were not conducive to foreign investment; because of disunity arising from violation of the consensual culture, the coalition of young military elites of the AFRC were compelled to hand over power to a government based once more on the incompatible alien political culture.

THE LIMAN ERA

The era of the Peoples National Party (PNP) government of Liman confirmed the following: The Ghanaian elite, as a whole, failed to forge a strong, united and encompassing coalition to achieve the political pre-requisites for successful economic development; because the PNP government violated the consensual process, it was not able to marshal the required support for its intended economic reforms; the alien constitutional structure and provisions emulated from the United States was incompatible with the

Ghanaian culture; with the elite divided over the enforcement of the constitutional provisions, it became relatively easy for Rawlings and his group to organize, with the help of Khadaffi's Libya, to overthrow the government.

THE PNDC ERA

The historical analysis of the PNDC era confirmed the following: The Ghanaian elite as a whole were divided and failed to form an encompassing coalition to pursue nationalist objectives; because of elite disunity, political power went, once again, into the hands of the inexperienced and the incompetent; elite disunity enabled the IMF and IBRD alliance to trample upon Ghana's sovereignty and to dictate economic policy; the satisfaction of the requirement for a repressive government to implement IMF conditionalities divided the elite and set off centrifugal forces with tribal undertones; because of violation of the consensual process, avoidable mistakes, including the repetition of mistakes of the past were made in the formulation of the ERP; Ghana embarked upon the ERP with no serious burden ostensibly to improve the economy but, on the contrary, now it has a very serious and growing one averaging about half a billion dollars per annum since 1987 and equivalent to about one-third of the total debt stock in 1980 before the ERP began, and over 60 percent of export earnings.

The Ghanaian elite failed to realize that the emulation of alien ideologies and political practices were at the roots of the economic problem and have gone back to alien party politics again. Recent events of 1992, in the Ghanaian political scene, including the proliferation of political parties, accusations of rigging of elections, refusal by political parties to participate in the Parliamentary process, and the killing of political opponents point to the unsuitability of the alien political culture of ballot box politics in the Ghanaian environment and the likelihood of a deepening of the political economic crisis.

THE INDUCTIVE AND DEDUCTIVE CONCLUSIONS

The statistical analyses in Part Two suggested that a fundamental factor that influenced the independent variables as well as the dependent variables might be responsible for the economic crisis and identified the fundamental factor as most likely to be the inability on the part of the Ghanaian political elite to forge a strong, united and encompassing coalition compatible with Ghana's indigenous political culture. Also, the analyses suggested that the Ghanaian political elite perceived political stability to be strongly and significantly associated with conformity with the indigenous culture but failed to perceive any strong or significant relationship between political stability or conformity with the indigenous political culture and economic effectiveness. Economic effectiveness was perceived as possible under conditions of political instability implying that political agency was unimportant and suggesting a structural determinism. It was left to the historical analysis to confirm the conclusions derived from the statistical analyses in support of the thesis.

The historical analysis confirmed that the Ghana political elite since the end of the Second World War has failed continuously to forge a strong, united and encompassing coalition compatible with the consensual culture of Ghana. As a consequence Ghana failed continuously to achieve the political prerequisites for successful economic development. In the process, the long term economic interests of the nation were compromised resulting in the present and persistent economic crisis.

Because of the longitudinal nature of the analyses covering decades, the confirmation of the statistical analyses by the historical analyses might not be seen as due to chance or coincidence. Therefore, by inductive reasoning, the thesis might be said to have been confirmed. The efficacy of the thesis is confirmed further via its power in explaining the problems of the agriculture-industry link and in subsuming other hypotheses advanced in respect of that link. In addition, it explains that Ghana's vulnerable mono-crop economy and resulting unfavourable and persistent terms of trade might be seen as consequences of violations of the principles of Ghana's indigenous political culture by earlier political coalitions, particularly

during the tactical action phase of the Nkrumah era.

But the thesis might be seen in the larger context as consistent with the deductive nomological model of explanation. Contingency theory postulates that there is no best organization for the achievement of goals. Performance is contingent upon the fit between the actors and the organizational culture and technology employed. The Ghanaian experience is an example in which there was a misfit between the Ghanaian political elite and the alien political technology emulated. The consequence was a vicious circle of political and economic crises in which the political initiated the economic. What the thesis says, in effect, is that the most suitable political organization for Ghana to address its economic problems effectively is one which is compatible with Ghana's own culture and political technology, or compatible cultural democracy.

APPENDICES

APPENDIX A

EVIDENCE OF ELITE DISUNITY AND POLITICAL INSTABILITY

DATE	EVENT	TYPE
14 Mar. 1949	Coussey Committee began its meetings without Nkrumah. UGCC leadership did not protest.	Division
12 Jun. 1949	Nkrumah forms party (CPP)	Fragments
26 Oct. 1949	Coussey Committee Report made public with little resistance from UGCC.	Division
20 Nov. 1949	Nkrumah convened a massive assembly called Ghana Peoples Representative Assembly which rejected Coussey Report.	Disagree
7 Jan. 1950	TUC began a strike.	Strike
8 Jan. 1950	Positive Action declared.	Violence
11 Jan. 1950	State of emergency declared	Emergency
12-13 Jan. 1950	Arrest of demonstrators	Violence
17 Jan. 1950	Two policemen were killed	Violence
21 Jan. 1950	Police took over CPP headquarters; arrested some CPP leaders. UGCC pleased. CPP banned.	Division Instrument
22 Jan. 1950	Nkrumah arrested	Violence
22 Feb. 1950	Nkrumah and others jailed	Violence
22 Mar. 1950	Nkrumah's appeal dismissed	Violence
15 Jun. 1954	Seven Parties contested	Fragments

	elections.	
12 Aug. 1954	Ban of political parties based on religious or tribal principles.	Fragments Instrument
14 Aug. 1954	An Act fixed cocoa price.	
19 Sept. 1954	The NLM began in Ashanti.	Fragments Disagree
21 Oct. 1954	Asanteman Council endorsed the idea of federalism.	Disagree
Dec. 1954	Togoland Congress intensified secessionist demands.	Disagree
17 Dec. 1954	Asanteman Council rejected Nkrumah's offer of roundtable conference.	Disagree
Jan. 1955	Several people killed and many arrested in acts of violence in Kumasi.	Violence
7 Jan. 1955	Ban on carrying arms in Ashanti.	Instrument
9 Mar. 1955	Northern Peoples Party endorsed the concept of federalism.	Merger
12 Aug. 1955	Asante and Northern Territories submitted proposals for a federal constitution to governor.	Disagree Merger
9 Oct. 1955	An official of the CPP killed an official of the NLM in Kumasi. Violence lasting many weeks.	Violence
16 Oct. 1956	Conference on form of government in Accra reached no agreement.	Disagree
20 Nov. 1956	NLM and NPP sent resolution to Secretary for Colonies demanding separate independence for Ashanti and Northern Territories. *	Disagree
4 Mar. 1957	Rebellion in the Volta region.	Disagree Violence

18 Mar. 1957	Troops rushed to Volta region. Several Ewes killed or injured.	Violence
April 1957	Top leaders of Togo Congress arrested for organising the rebellion.	Violence
May 1957	Ga Shifimo Kpee emerged. Rallies numbering tens of thousands worried government.	Fragments
22 Jul. 1957	Deportation Act introduced.	Instrument
13 Oct. 1957	Merge of opposition parties into United Party.	Merger
Nov. 1957	Local and ethnic organizations made illegal. Tribalism declared a criminal offence.	Instrument Fragments
Dec. 1957	Avoidance of Discrimination Act outlawed all religious and tribal parties.	Instrument Fragments
18 Jul. 1958	Preventive Detention Act passed.	Instrument
3 Sept. 1958	Government took over Ashanti lands.	Instrument
24 Sept. 1958	Nana Ofori-Atta II arrested.	Violence
10 Nov. 1958	Arrests under PDA began.	Violence
Apr. 1959	Brong-Ahafo region was separate from Ashanti.	Instrument
6 Apr. 1959	A law expelled any member of National Assembly detained under PDA.	Instrument
29 Jun. 1959	Busia went into exile fearing PDA	Violence
10 Nov. 1959	A number of United Party leaders arrested in Ashanti.	Violence
8 Apr. 1961	Nkrumah promised to clean up CPP	Friction
1 May 1961	Nkrumah took full control over CPP	Friction

5 May 1961	Gbedemah demoted from Minister of Finance to Minister of Health.	Friction
7 July 1961	Austerity budget of increased taxes, forced savings, wage freeze.	
8 Aug. 1961	A law made it offence to insult Nkrumah print or speech.	Instrument Friction
4 Sept. 1961	Strike against austerity.	Strike
9 Sept. 1961	Danquah and United Party called upon government to modify its policy.	Disagree
18 Sept 1961	Accra workers on strike.	Strike
28 sept 1961	Gbedemah, Botsio and other comrades dismissed.	Friction
16 Oct. 1961	Gbedemah denounces Nkrumah and goes into exile.	Friction
4 Nov. 1961	A bomb damages Nkrumah's statue.	Violence
7 Nov. 1961	Hundreds of CPP opponents arrested.	Violence
1 Aug. 1962	Grenade killed several and injured many including Nkrumah.	Violence
29 Aug. 1962	Ako Adjei, Tawiah Adama-fio, Coffie Crabbe detained under PDA.	Friction Violence
9 Sept. 1962	A bomb exploded near Flagstaff house where Nkrumah lived killing one person and injuring several others.	Violence
11 Sept. 1962	National adopted resolution calling for one party system.	Violence
20 Sept 1962	Two bombs killed and injured many.	Violence
22 sept 1962	Bombs exploded in Accra. A state of emergency with dawn to dusk curfew imposed in Accra and Tema.	Violence Emergency Violence
28 Sept 1962	All news leaving Ghana subjected to censorship.	Instrument

8 Jan. 1963	A bomb exploded in Accra stadium shortly after Nkrumah had left killing 20 people and injuring more than 400.	Violence
11 Jan. 1963	A special security court established.	Instrument
4 Nov. 1963	PDA extended 5 more years.	Instrument
9 Dec. 1963	In a strange judgement Arku Korsa acquitted Ako Adjei, Adama-fio, and Coffie Crabbe.	Friction
11 Dec. 1963	Nkrumah dismisses Arku Korsa.	Violence
23 Dec. 1963	National Assembly authorised Nkrumah to override decisions of special court.	Instrument Violence
24 Dec. 1963	Nkrumah set aside decisions of court.	
8 Jan. 1963	Danquah arrested under PDA	Violence
8 Feb. 1964	Expulsion of some foreign Faculty members of University of Ghana.	Violence
1 Oct. 1964	Special Branch of Ghana Police dissolved.	Friction
31 Aug. 1965	Nkrumah took direct command over the Military. Major Generals Otu and Ankrah retired.	Friction
24 Feb. 1966	Military coup.	Coup
1 Mar. 1966	Political parties banned. Soviet and Chinese personnel expelled.	Instrument Violence
7 Mar. 1966	Young Pioneer Movement outlawed.	Violence
24 Mar. 1966	NLC placed local government in the hands of management committees to purge CPP sympathizers. Purge Began.	Violence
23 June 1966	Intention to dispose of many state corporations was announced.	Disagree
1 Dec. 1966	The NLC removed all chiefs enstooled during the Nkrumah period.	Disagree Violence

15 Jan. 1967	Apaloo Commission issued a report charging that Nkrumah accumulated assets of 2,300,000 pounds between 1951 and 1966 (Judge over enemy).	Violence
17 Apr. 1967	In an abortive coup, General Kotoka and others were killed.	Violence
4 Sept. 1968	A nationwide strike of ports and railway workers began.	Strike
10 Oct. 1968	The Ghana Navy seized two Soviet fishing trawlers off the west of Takoradi suspected of carrying arms to help restore Nkrumah.	Violence
19 Nov. 1968	Air Marshall Otu was arrested for complicity in subversive activity.	Violence
2 Apr. 1969	General Ankrah was forced to resign for receiving money for political purposes.	Friction
6 June 1969	A decree prohibited the re-organization of the CPP as the Peoples Popular Party.	Violence
18 Nov. 1969	Busia government ordered the expulsion of all aliens without resident permit. Many of them were born and bred in Ghana.	Violence
Feb. 1968	The government began a purge of the civil service. 568 people lost their jobs. Sallal appealed against his dismissal and won. Busia refused to re-employ him.	Violence
20 Oct 1970	Three opposition parties combined as the Justice Party.	Merge
Dec. 1970	General Ocran demanded declaration of assets by members of the Assembly as required by constitution. Members refused.	Disagree

Apr. 1971	National Union of Ghana Students demanded wholesale nationalisation of businesses and amnesty for political exiles.	Disagree
27 July 1971	Austerity budget published. Public services and employee benefits were to be cut and taxes raised.	
Aug. 1971	All direct and indirect mention of Nkrumah or the CPP was outlawed	Instrument
3 sept. 1971	Labour Minister announced firm action to prevent the TUC from initiating strike action.	Instrument
10 Sept. 1971	TUC dissolved by Assembly.	Instrument Violence
27 Dec. 1971	The cedi was devalued by 43.9%.	
13 Jan. 1972	A military Coup	Coup
15 Jan. 1972	Afrifa arrested at Busia's Odokor house for plotting against the NRC.	Violence
4 Feb. 1972	The cedi was revalued 42%	Disagree
16 July 1972	A coup plot was foiled.	Violence
31 Aug. 1973	A coup plot involving Botsio, a former CPP Minister, was foiled.	Violence
DEC. 1973	A coup plot by former Nkrumah supporters uncovered.	Violence
11 Feb 1974	The three Universities closed down for more than a month because of subversive activities.	Violence
23 Apr. 1974	Ya Na of Yendi installed during the Busia period was deposed.	Violence
7 Aug. 1975	NRC compelled to announce amnesty for all secessionists in the Volta Region.	Violence
9 OCT. 1975	A seven member SMC was established. NRC relegated to a lower status.	P-Coup

28 July 1976	5 Ewe soldiers were sentenced to death for subversion.	Violence
10 Jan. 1977	Koranteng Addo commission appointed to prepare proposals for Union Government.	
June 1977	Ghana Bar Association threatened strike if SMC did not hand over power. Professional groups join threat in July.	Violence Disagree
9 July 1977	Leave for Armed Forces personnel cancelled because of strikes.	Emergency
11 Jan. 1978	Bar association denounced Union Government campaign.	Disagree
13 Jan. 1978	Mass meetings of University students opposed to Union Government broken by police. Many students sent to jail.	Violence Disagree
27 Jan. 1978	Peoples Movement for Freedom and Justice (PMFJ) organized to oppose Union Government.	Disagree
4 Feb. 1978	A large meeting in Kumasi opposed to Union Government was broken. Several people were killed.	Violence
30 Mar. 1978	Results of Union Government declared. Bitter disputes over results.	Disagree
3 Apr. 1978	Organized groups opposed to Union government banned.	Violence
5 Apr. 1978	Prominent people opposed to Union Government arrested and detained.	Violence
5 July 1978	General Acheampong forced to resign.	P-Coup
Aug.-Nov 1978	Widespread labour unrest/strikes.	Violence
6 Nov 1978	SMC imposed a state of emergency.	Emergency
30 Dec 1978	SMC published a list of 105 people disqualified from holding office.	Violence Instrument

15 May 1979	Attempted coup by Rawlings failed.	Violence
4 June 1979	A coup. Armed Forces Revolutionary Council (AFRC) formed with Rawlings as Chairman.	Coup
12 June 1979	AFRC trials began.	Violence
16 June 1979	Generals Acheampong and Utuka executed.	Violence
26 June 1979	Generals Akuffo, Afrifa, Kotey and others executed.	Violence
18 Aug. 1979	Makola market bulldozed by troops.	Violence
5 Sept. 1979	Kumasi Market bulldozed by troops.	Violence
24 Sept. 1979	Hilla Liman became President.	
24 Mar. 1980	A number of soldiers arrested for plotting a coup.	Violence
June 1980	Government closed down the University at Accra after teachers and workers went on strike.	Strike Violence
11 June 1980	Military Intelligence began a surveillance of Kojo Tsikata one of the founders of the June 4 Movement and a close associate of Rawlings.	Violence
summer 1980	Economy declined steadily. Popular discontent mounted.	Violence
Aug. 1980	Parliament rejected two judges nominated by Liman to the Supreme Court. Constitutional crisis followed.	Disagree
Sept. 1980	Government warned that public employees who resort to violence would be dismissed.	Violence
15 Oct. 1980	Security forces raided the home of Rawlings and arrested left wing foreigner.	Disagree Violence

Nov. 1980	Reshuffle of government to deal with economic crisis.	Friction
31 May 1981	All military personnel associated with AFRC retired.	Violence
4 June 1981	Over 5000 persons attended June 4 rally. Rawlings was the main speaker.	Disagree
30 June 1981	Budget of expenditure cuts, higher taxes and large deficit introduced. Confusion in Parliament and revision of budget.	Disagree
7 Dec. 1981	A high court injunction forced the ruling party, PNP, to call off its National convention.	Disagree
31 Dec. 1981	A coup by Rawlings and his followers.	Coup
2 Jan. 1982	Dismissal of all officials appointed by the Liman government.	Violence
11 Jan. 1982	PNDC resumed diplomatic relations with Libya severed under Liman.	Disagree

Sources: Historical Dictionary of Ghana, Daily Graphic, Ghanaian Times.

APPENDIX B

STATISTICAL ANALYSIS OF VARIABLES -QUESTIONNAIRE

I.D _____ Name _____ (Optional)

1. Sex: 1 Male (), 2 Female ().
2. Age: 1 Young (), 2 Middle Age (), 3 Old ().
3. Education: 1 No school (), 2 Primary (), 3 Secondary () 4 University ().

Governments and Variables:

The letter notations below refer to the periods indicated:

- (G1) Pre-independence Nkrumah era
- (G2) Post-independence but Pre-Republic Nkrumah era
- (G3) Post-Republic Nkrumah era
- (G4) The National Liberation Council
- (G5) Busia era
- (G6) National Redemption Council
- (G7) Supreme Military Council Number One
- (G8) Supreme Military Council Number Two
- (G9) Armed Forces Revolutionary Council
- (G10) Liman era
- (G11) Provisional National Redemption Council

4. The size of the military and para-military organization was:
'1' Too large, '2' Moderate, '3' small, '4' Too small '9' Don't know.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

5. The size of the government bureaucracy was:
'1' Too large, '2' Moderate, '3' small, '4' Too small, '9' Don't know.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7)---

(G8) --- (G9) --- (G10) --- (G11) ---

6. Partisan politics divided the country.

'1' Strongly agree, '2' Agree, '3' Disagree,
'4' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

7. On a scale divided into ten parts with each part further sub-divided into ten with zero representing no division of country by party politics and ten denoting a devastating division, I shall award the following marks:

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

8. Political decision-making was by consensus.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

9. All ethnic groups were represented in the National Assembly.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

10. Major interest groups and professions were represented directly in proportion to size.

'4' Strongly Agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

11. Openness, criticism, and free expression of views allowed.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

12. The crime rate was relatively high.

'1' Strongly agree, '2' Agree, '3' Disagree,

'4' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

13. Government was highly decentralised.

'4' Strongly agree, '3' Agree, '2' Disagree,

'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

14. Government preferred in the economic market:

'1' No intervention, '2' Government control, '3' Pacifying mediating role.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

15. The level of political repression was very low.

'4' Strongly agree, '3' Agree, '2' Disagree,

'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11)

16. Workers scarcely went on strike.

'4' Strongly agree, '3' Agree, '2' Disagree,

'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

17. On a scale of ten units which is sub-divided further into ten, with zero representing no repression and ten representing the highest level possible, I shall give the following marks:

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

18. The politicians were divided by foreign ideologies.

'1' Strongly agree, '2' Agree, '3' Disagree,
'4' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11)

19. Mode of change of government was:

'1' violent military coup, '2' palace coup, '3' normal, '4' same

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

20. Frequency of changes in Ministerial portfolios was very low.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

21. Popularity of government declined significantly.

'1' Strongly agree, '2' Agree, '3' Disagree,
'4' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

22. Diverse political organizations emerged in opposition.

'1' Strongly agree, '2' Agree, '3' Disagree,
'4' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

23. Level of political violence was high.

'1' Strongly agree, '2' Agree, '3' Disagree,
'4' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

24. Completed full term of office.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

25. Political dismissal of government employees was high.

'1' Strongly agree, '2' Agree, '3' Disagree,
'4' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

26. Apathy towards government developed and spread.

'1' Strongly agree, '2' Agree, '3' Disagree,
'4' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

27. Major changes in policies after change of government.

'1' Strongly agree, '2' Agree, '3' Disagree,
'4' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

28. Tribal sentiments largely determined political support.

'1' Strongly agree, '2' Agree, '3' Disagree,
'4' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

29. Number of coup attempts was high.

'1' Strongly agree, '2' Agree, '3' Disagree,
'4' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

30. Most students and intellectuals were against the government

'1' Strongly agree, '2' Agree, '3' Disagree,
'4' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

31. Took steps to reduce capital outflow.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

32. Government leaders were comparatively qualified.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

33. Government leaders were comparatively experienced.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

34. Lack of consistency in own policies while in power.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

35. Adequate exercise of necessary economic controls.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

36. Prepared to implement land reforms.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G) ---

37. Steps were taken to reduce domination of the economy by foreigners.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

38. Appropriateness of technology guided investments pervasively.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

39. Self-reliance largely influenced economic policy.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

40. The country was troubled by severe draught.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

41. Inherited a relatively better infrastructure than preceding period.

'4' Strongly agree, '3' Agree, '2' Disagree,
'1' Strongly disagree, '9' Undecided.

(G1) --- (G2) --- (G3) --- (G4) --- (G5) --- (G6) --- (G7) ---

(G8) --- (G9) --- (G10) --- (G11) ---

APPENDIX C

REFERENCES AND BIBLIOGRAPHY

PART 1, CHAPTER 1 - INTRODUCTION

1. Lacaillon, J Morrison, et al., Economic Policies and Agricultural Performance of low-Income Countries, 1987, OECD Development Centre, Development Studies, p 389.
2. Hirschman, Albert; Essays in Trespassing: Economics to Politics and Beyond (New York: Cambridge University Press, 1981).
3. Senghaas, Dieter, The European Experience.
4. IBRD, World Development Report, 1981, p 25
5. "Arusha Programme for Collective Self-Reliance and Framework for Negotiations" adopted at the Fourth Ministerial Meeting of the Group 77, Arusha, February 12-16, 1969, reprinted in Karl P Sauvent, The Group of 77, New York: Oceania, 1981.
6. Heady, Ferrel. Comparative Public Administration, Second Edition, 1960, University of Michigan, p 42.
7. Mytelka, L. K "Unfulfilled Promise of African Industrialization"
African Studies Review, 1989, Volume 32, number 3, pp 77-137
8. Allen, R.E edited Concise Oxford Dictionary, 1992, Oxford University Press, New York, p 658.

PART 2, CHAPTER 2 - STATISTICAL ANALYSIS

9. World Bank, Trends in Developing Economies, 1991, p233.

PART 3, CHAPTER 3 - ELITE THEORY

10. (a) Knuttila, Murray, State Theories: From Liberalism to the Challenge of Feminism, 1987, Garamond Press, p50-63.

(b) Etzioni-Halevy, Eva, Bureaucracy and Democracy: A Political Dilemma, paperback 1985, Reutledge and Kegan Paul, pp 14-23.

(c) Olson, M.E, Power in Societies, 1970, Selections by Pareto, Mosca, Michels and Olsen on Elite Theory. Collier-Mcmillan Ltd., London.

(d) Mills, C.W, The Power Elite, 1959, Oxford University Press,

(e) Bill, J.H, and Hardgreave, J, Comparative Politics: The Quest for Theory, 1973, Charles E. Merrill Publishing Co., Columbus, Ohio.

(f) Putman, R.D, The Comparative Study of Political Elites, 1976, Prentice-Hall, New Jersey.

11. (a) Lijphart, Arend, "Consociational Democracy" in World Politics, 1969, Volume 21, number 1, pp207-225.

(b) Lijphart, Arend, "Typologies of Democratic Systems", in Comparative Political Studies, 1968, Volume 1, number 1, pp3-44.

12. Schmitter, Philippe, "Still the Century of Corporatism" in Schmitter and Lehmbruch eds.; Trends Toward Corporatist Intermediation, 1979, Sage Publications Inc, 1979. pp7-52.

PART 4, CHAPTER 5, - HISTORICAL ANALYSIS

15. Howard, Rhoda, Peripheral Economy and Class Formation, 1978. Croom Helm, London p 184.

16. Mcfarland, D. Miles, Historical Dictionary of Ghana, 1985, Thomas Nelson and Co., London, 1985, pp 13-14.

17. Kimble, David, A Political History of Ghana, 1963. Oxford, pp 499-501.

18. Cohen, Andrew, British Policy in Changing Africa, 1959, Northwestern University Press, London, 1959, p37.

19. Ashanti Pioneer, Kumasi, January 12, 1948.

20. Nkrumah, Kwame, Ghana, 1964. International Publishers, p 103

21. Wright, Richard, Black Power, 1962, Cambridge p 221.

22. Colonial Office, Report of the Commission of Inquiry into Disturbances in the Gold Coast (Watson Report), HMSO, London 1975.

23. Ibid.,

24. Reginald Saloway, "The New Gold Coast", International Affairs, October, 1955

25. Austin, Dennis, Politics in Ghana, 1964 Oxford University Press p 100.

26. Nkrumah, Ghana op. cit, p103

27. Ibid., p111-112

28. Evening News, Accra, December 16, 1949.

29. Fitch, Bob and Oppenheimer, Mary, Ghana: End of an Illusion, paperback 1966, Oxford University Press, p 30
30. Arden-Clarke, Charles, African Affairs, January 1958. Cited in Austin, Dennis, op. cit., p 150.
31. Nkrumah, Kwame, op.cit, p 133.
32. West Africa, February 17, 1951
33. Fitch, Bob and Oppenheimer, Mary, op. cit., p 36.
34. Ibid., p 38
35. Ibid., p 44
36. Ibid., p 45
37. Gold Coast, Commission of Inquiry into the Affairs of the CPC Ltd., (Jibowu Commission), Report, 1956, p 17.
38. Ibid., passim
39. Daily Echo (Accra), May, 1952. Cited in Austin, Politics in Ghana, p182.
40. Jibowu Commission Report, op.cit., p 51
41. Gold Coast Legislative Assembly, Debates, February 14, 1957.
42. Bauer, P.T, West African Trade, 1963, Augustus .M. Kelley, New York, p 183
43. Gold Coast Legislative Assembly, Debates, February 5, 1957.
44. Robert Szereszewski, "Performance of the Economy, 1955-1962" in a Study of Contemporary Ghana, 1966, Allen and Unwin, p62.
45. Gold Coast, Legislative Assembly, Debates, January 21, 1957
46. NLM Memorandum, October 19, 1954, cited in Austin, Politics in Ghana, op.cit., p 264.
47. Daily Graphic (Accra), June 11, 1957
48. Ashanti Pioneer, (Kumasi), January 26, 1955
49. Wright, op.cit., p 275
50. Ibid.,
51. Austin, op.cit., p 277

52. Gold Coast, Legislative Assembly, Debates, August 12, 1955, p342

53. Ibid..

54. Ibid., March 1, 1955

55. Austin, op.cit., p 360

56. Ibid., p 361

57. Fitch, Bob and Oppenheimer, Mary, op.cit., p75

58. Times London, June 11, 1957.

PART 5, CHAPTER 6 - CHAPTER 7 - HISTORICAL ANALYSIS

59. Fitch, Bob and Oppenheimer, Mary, op.cit., p 78.

60. Gold Coast, Economic Survey, 1954, p 43.

61. Omaboe, E. N, "The Process of Planning" in A Study of Contemporary Ghana op.cit.

62. Farer, J. Tom ed. "Promoting Private Investment in Less Developed Countries", in Financing African Development, 1965, p134.

63. Birmingham, W., Neustadt, I., Omaboe, E.N., A Study of Contemporary Ghana, op.cit., p 18.

64. Hart, David, The Volta River Project, 1980, Edinburgh university Press, p 9.

65. Ibid..

66. Tettegah, John, Towards Nkrumahism, 1962, Printing Press, Accra, p 24.

67. Ashanti Pioneer, September 22, 1961

68. Mensah, J. H, "The Relevance of Marxian Economics to Development Planning in Ghana", Printing Press, Accra, p 15.

69. The Economic Bulletin of Ghana, Vol. ix, No.1, p 4.

70. Ibid., p 12

71. The New Economics, Oxford, 1965, p 127.

72. "Program of the Convention Peoples Party for Work and Happiness" cited in Apter, David., Ghana in Transition, 1963, Princeton, New York, 1963, pp 393-421.

73. Daily Graphic, Accra, August 29, 1992 p 1; Ghanaian Times, Accra, August 29, 1992 p 1; Appendix A.
74. Fitch, Bob, and Oppenheimer, Mary. op.cit. pp 120-121.
75. Scott, D. A, "External Debt management in a Developing Country" in Financing African Development, ed. by Farer, J, Cambridge, 1965.
76. Senghaas, Dieter, The European Experience: A Historical Critique of Development Theory, 1985, Berg Publishers, New Hampshire.
77. Killick, Tony, "External Trade" in A Study of Contemporary Ghana" op.cit p 359.
78. Fitch, Bob and Oppenheimer, Mary. op.cit., p 116.
79. West Africa, April 1965, p 419. Also cited in Fitch, Bob and Oppenheimer, Mary, op.cit, p117
80. Killick, Tony, "Labour: Industrial Productivity" in A Study of Contemporary Ghana, Vol.1 p 170
81. Hart, David, The Volta River Project, University Press, Edinburgh, 1980, pp 19-20
82. Ibid., p 20
83. Ibid.,
84. Legislative Assembly, Debates, February 1953, cited in Ibid.
85. Ibid.,
86. Johnson, de Graft, J.C. Background to the Volta River Project, 1955, Ahura Printing Works, Kumasi, p 30.
87. Legislative Assembly, Reports, March 1959.
88. Ibid, February, 1961.
89. Ewusi, K. Government Food Policies from the Colonial to the Present, ISSER Discussion Paper, No. 16, p 8.
90. Kludze, A.K.P, "Property Law and Rural Development in Ghana" in Rural Africana, 1983, No. 17, p57
91. Fitch, Bob and Oppenheimer, Mary. op.cit., 1968, p 1.
92. New York Times, March 3, 1966.
93. Pye, Lucien, "Armies in the Process of Political Modernization", 1964, Chicago University Press, (Collection of Essays Representing Modernization Arguments Based on the Sociology of Organization)
94. Janowitch, Morris, ed., "The Military in the Political Development of New States" 1964, Chicago University Press, (Collection of Essays Representing Modernization Arguments Based on the Sociology of Organization).

95. (a) Nordlinger, Eric., "Soldiers in Mufti: The Impact of Military Rule Upon the Economic and Social Change in the Non-Western states" in American Political Science Review, Vol.1, Lxiv, December 1970.

(b) Eleazu, Uma, "The Role of the Army in African Politics: A Reconsideration of Existing Theories and Practices", Journal of Developing Areas, January, 1973, Vol.7, Number 2.

96. Ghana Press Release, No.4, 1966.

97. Jeune Afrique, March 13, 1966, cited in Fitch, Bob and Oppenheimer, Mary, op.cit., p 2.

98. Goody, J, "Rice Burning and the Green Revolution in Northern Ghana", 1980, Journal of Development Studies, p 136-317.

99. (a) Yebo, Zaya, "Ghana: Defence Committees and the Class Struggle" in Review of African Political Economy, No. 32, 1985, pp 64-72

(b) The New African, December 1989, Number 267

100. Loxley, John; Ghana: Economic Crisis and the Long Road to Recovery, February 1988, Westview Press, p viii.

101. World Bank, 1987a, Report and Recommendation of the President of the IDA to the Executive Director on a Proposed African Facility Credit of SDR 26.9 million to the Republic of Ghana for a Structural Adjustment Program, Washington D.C, March 23 1987a

102. African Concord, July 23, 1987, p 44

103. Seini, Wayo., Havell, John., and Commander, Simon. "Agricultural Policy Adjustmeot in Ghana". 1987, University Press, London, 1987 pp 20-22.

ADDITIONAL BIBLIOGRAPHY

Government Documents

104. Ghana Government, The Economic Bulletin of Ghana, various years

105. Ghana Government, Ghana Press Release, various years

106. Ghana Government, Legislative Assembly, Reports various years.

107. Gold Coast, Economic Survey, various years

108. Gold Coast, Legislative Assembly, Debates, various years

109. Republic of Ghana, Progress of the Economic Recovery Programme 1984-1986 and Policy Framework 1986-1988

International Institutions

110. Amnesty International, The Public Tribunals in Ghana, London, 1984
111. UNICEF, Adjustment Policies and Programs to Protect Children and other Vulnerable Groups in Ghana, Accra, 1987.
112. UNICEF, Repairing the Social Fabric - Restoring Vulnerable Group Incomes, Accra, 1986.
113. United Nations Economic Commission for Africa, Survey of Economic Conditions in Africa, 1971
114. World Bank, Accelerated Development in Sub-Saharan Africa: Agenda for Action, 1981.
115. World Bank, Ghana Policies and Program for Adjustment, volumes I and II, Washington D.C 1983
116. World Bank, Staff Working Paper No. 354, August, 1979
117. World Bank, Towards Sustained Development in Sub-Saharan Africa, Washington D.C, 1984(b)
118. World Bank, World Development Report, various years
119. World Bank, World Debt Tables, various years

Books

120. Ahabio-Appah, N. Land Ownership in the Economic Development of Ghana, 1945-1975, 1980, Abura Printing Press, Ghana.
121. Andre, Ginilla, Industry in Ghana: Production, Form and Spatial Structure, 1966, Oxford University Press.
121. Babara, Huddleton and McLim, Jon, Political Investments in Food Production, 1978, Indiana University Press.
122. Bates, R. Markets and States in Tropical Africa: The Political Basis of Agricultural Policies, Berkeley: University of California Press, 1981
123. Beckman, B. Organizing the Farmers: Cocoa Politicisation and National Development in Ghana, 1960, UPSALA: Scandinavian Institute of African Studies.
124. Bourret, F.M. Ghana: The Road to Independence, 1910 to 1957, New York, Stanford University Press, 1960.

125. Chazan, M, An Anatomy of Ghanaian Politics, 1969 to 1982, Boulder, Colorado, Westview Press, 1983.
126. Eicher, Carl and Witt, K., Agriculture in Economic Development, McGraw Hill, 1964
127. Ewusi, Kodwo, Planning for the Neglected Rural Poor in Ghana, Accra, New Times Corporation, 1978.
128. Fage, J.D, Ghana: A Historical Perspective, Madison, Wisconsin, 1959
129. Ghai, D and Smith, L., Agricultural Prices, Policies and Equity in Sub-Saharan Africa, Boulder, Colorado; Lynne Rienner Publisher, 1987.
130. Hart, Keith, Political Economy of African Agriculture, Cambridge University press, 1982.
131. Hopkins, A., An Economic History of West Africa, London: Longman Group Ltd., 1973.
132. Howard, R., Colonialism and Underdevelopment in Ghana, London: Croom Helm, 1978
133. Hyden, G., Beyond Ujamaa in Tanzania, Berkeley: University Press, 1980.
134. Hyden, G., No Shortcuts to Progress: African Development Management in Perspective, Berkeley: University Press, 1983
135. Kay, A.B, The Political Economy of Colonialism of Ghana, 1972, Cambridge University Press.
136. Killick, T. and Kimble, D., A Political History of Ghana: The Rise of Gold Coast Nationalism, 1850-1928, 1963, Oxford Clarendon Press.
137. Killick, T., Development Economics in Action: A Study of Economic Policies of Ghana, 1978, Heineman Education Books.
139. Lal, D., The Poverty of Development Economics, 1985, Harvard University Press, Cambridge Massachusetts.
138. Levine, Victor. T, The Peasantry and State in Ghana, 1985, African Studies Centre, Leiden, Netherlands, Working Paper, No.5.
140. Levine, Victor, Political Corruption: The Ghanaian Case, 1975. Hoover Press, Stanford.
141. Loftchie, M.E, Africa's Agrarian Crisis, 1976, Lynne Rienner Publishers, Colorado.
142. Loxley, John, Debt and Disorder, 1986, Westview Press
143. Mellor, John, Agriculture on the Road to Industrialisation, 1976, Cambridge University Press.
144. Nkrumah, Kwame, Towards Colonial Freedom, 1962, Heineman Publication Ltd.

APPENDIX D

GLOSSARY OF NEW CONCEPTS

- "Amaniebor"** - A reversible reporting and feedback process of the indigenous consensual system whereby decisions taken at the higher levels are passed down to the lower levels for discussions and comments. Through this process, there is circulation of elite input instead of the circulation of the elites themselves. In addition, at the family and house levels, the grassroots (of the age of 21 and above) participate in the decisions that affect them. Elites at the higher levels are able to test the temperature of the political waters below.
- "Ajina"** - An ad hoc committee of an odd number appointed to deliberate and submit a decision whenever decision by consensus becomes difficult. The decision of the "ajina" is final and binding on all. It is a taboo to reject the decision of the "ajina".
- "Ajinafoi"** - Members of the "ajina" defined above.
- "Amelucracy"** - Derived partially from the Ga word "amelu" (which means a group of people who are so confused as to resort to irrational and detrimental acts.) to represent a type of government that results from the blind emulation and holus-bolus implantation of the western style of party politics.
- "Causlatenser"** - Derived from the Latin words "causativus" (producer of an effect) and "latens" (hidden) to represent a fundamental factor, resulting from the blind implantation of an alien ideology, that hides behind the scene and produces effects in such a manner as to make it appear that other variables are responsible. A causlatenser might be said to behave like a political virus that attaches itself to both objects and subjects. When it attaches itself to a subject, it distorts and shifts the perception of that person from the real cause to other factors. When it attaches itself to an object, it makes that object to appear as a causal factor whereas it is not. The virus detector for a causlatenser is statistical analysis. In other words, statistical analysis may be regarded as the shibboleth that detects the presence of a causlatenser.
- "Democracy"** - Demonstration of craziness. It is formed from the English words "demonstration" and "crazy" to represent the irrational and detrimental behaviour of elites resulting from the blind implantation of an alien ideology.
- "Martiagocrazy"** - Short form of "martial-organizations-gone-crazy" to represent the irrational, divisive, and detrimental behaviour of the martial organizations (the army, navy, and air force) during a blind implantation of the alien ideology of military rule.

- "Martiamelucrazy"** - Derived from the English word "martial" (of the military) and the Ga word "amelu" (explained above) to represent a type of government resulting from alien military rule.
- "Sociagocrazy"** - Short form of "socialism-gone-crazy" to represent the crazy process of implantation of socialism by elites in complete disregard of the basic tenets of socialism and in an environment where the pre-conditions are totally non-existent.
- "Sociameluism"** - Derived from "socialism" and the Ga word "amelu" (explained above) to represent the crude and confused type of ideology that results in the blind attempt to establish the alien ideology of socialism despite the absence of essential pre-conditions.

END

0 9-1 1-94

FIN